



MELTON CITY COUNCIL

# Annual Report

# 2014 2015

*A Proud Community Growing Together*

A copy of this Annual Report is available at [melton.vic.gov.au](http://melton.vic.gov.au)





# About this Annual Report

## Welcome to Melton City Council's 2014/2015 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

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

### Melton Library and Learning Hub

31 McKenzie Street, Melton  
T 03 9747 7200

### Caroline Springs Civic Centre and Library

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

PO Box 21 Melton  
Victoria 3337

DX 33005 Melton  
ABN 22 862 073 889

W [melton.vic.gov.au](http://melton.vic.gov.au)  
E [csu@melton.vic.gov.au](mailto:csu@melton.vic.gov.au)

# Contents

<b>Introduction</b>	<b>2</b>
Snapshot of Council	4
Highlights of the year	6
Challenges and future outlook	8
Events	9
<b>The year in review</b>	<b>10</b>
Mayor's message	10
CEO's message	11
Financial summary	12
Description of operations	14
<b>Our council</b>	<b>16</b>
City profile	16
Councillors	17
<b>Our people</b>	<b>18</b>
Organisational structure	19
Executive	20
Our workforce	21
Other staff matters	22
Volunteers	23
<b>Our performance</b>	<b>24</b>
Planning and accountability framework	25
Council plan	26
Performance	27
<b>Governance, Management and Statutory Information</b>	<b>48</b>
Governance	49
Management	52
Governance and management checklist	54
Statutory information	56
Victorian local government indicators	59
<b>Performance Statement</b>	<b>60</b>
<b>Financial Report</b>	<b>68</b>

# A Snapshot of the City of Melton



**population 132,500**

(as at 30 June 2015)



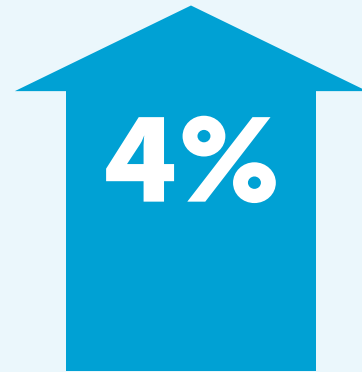
**Melton City**

covers  
**528km<sup>2</sup>**  
of land



**482 staff**

Made up of full-time, part-time and casual employees.



**4 per cent**

estimated annual growth rate



**49,810 ratepayers**

(as at 30 June 2015)



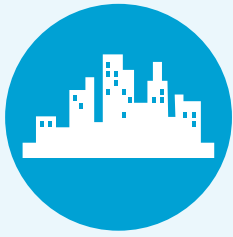
annual income for 2014/2015



**Home to 30,000 migrants**

representing more than 130 nations

# Melton Township is:



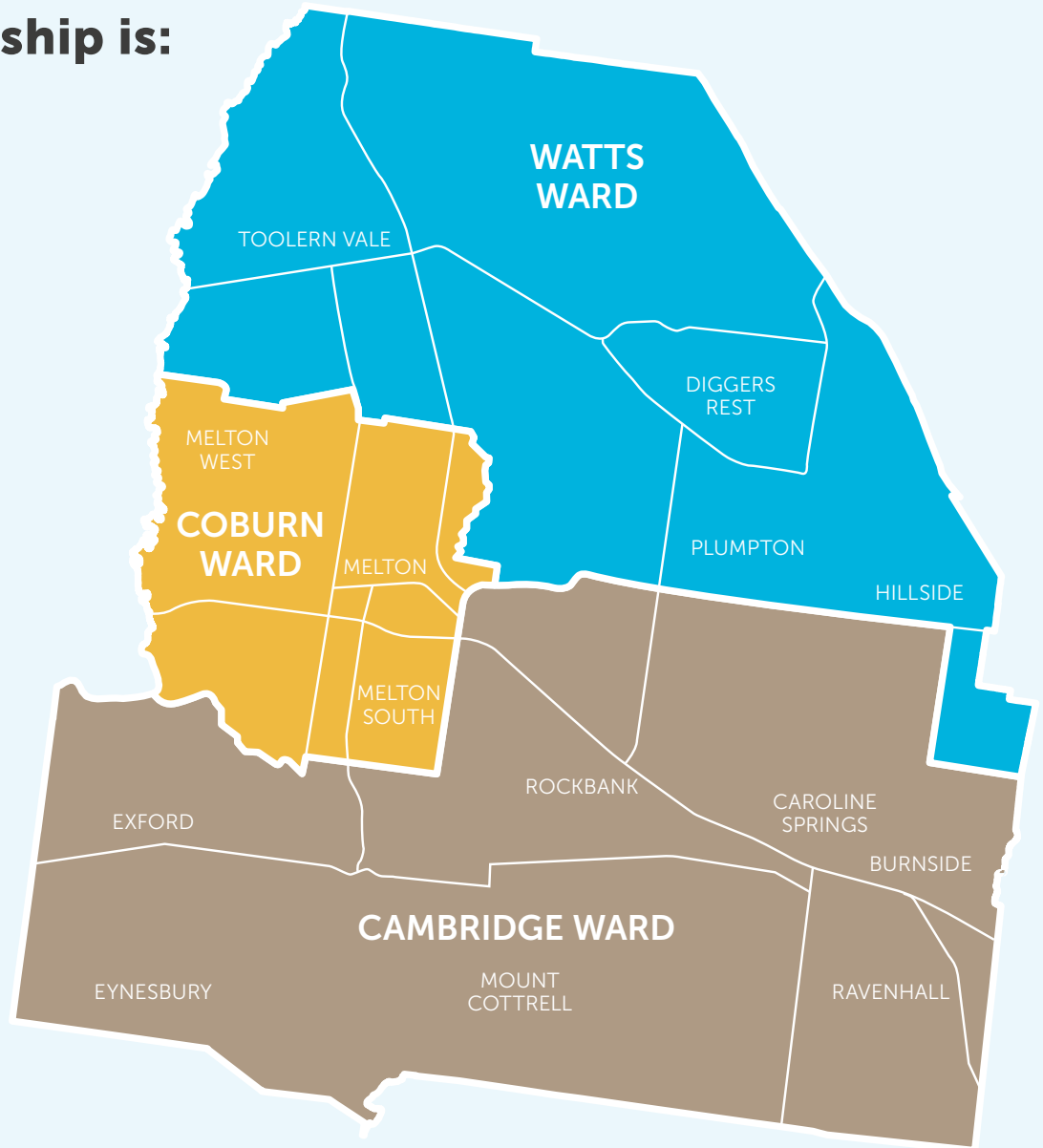
**35km**  
to Melbourne CBD



**15 minutes**  
from Western Ring Road



**30 minutes**  
to Melbourne Airport



## Fast facts:



**849km**  
of sealed roads  
maintained



**1,200 hectares**  
of parks and open space  
managed (*that's over 600 MCGs*)



**72,900 tonnes**  
of waste collected



**48**  
sporting fields and  
reserves managed



**1,700 hours**  
of occasional child  
care provided



**\$270,000**  
grant funding allocated  
to local community and  
sporting groups



**22,700 hours**  
of personal and respite  
care delivered



**3**  
recreation and leisure  
centres managed

# Highlights

In 2014/2015, Melton City Council successfully delivered on 84 actions from 106 outlined in the annual Action Plan. This represented 79 per cent of actions completed.

## 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.

#### 2014/2015 Highlights:

- ✓ Council's Streetscape Improvement program was delivered, which included a design concept for redeveloping the McKenzie Street and Courthouse Plaza precinct in Melton.
- ✓ More than 80 per cent of Council's capital construction projects and programs were delivered on time and on budget. This included opening \$32 million of new community facilities such as the Western Business Accelerator and Centre for Excellence, Botanica Springs and Bridge Road Children's and Community Centres, and the Taylors Hill Men's Shed.
- ✓ The Asset Management Strategy and Asset Management Plan was adopted, outlining Council's management systems to protect its infrastructure assets.
- ✓ The 2014/2015 It's Cool to Walk to School program, funded by VicRoads, was expanded with 24 schools participating.

#### Fast facts:

- 116 subdivision applications resulted in 1,489 new lots for development
- 480 town planning applications processed
- 8,000m of footpaths replaced
- 2,500 trees planted in parks and streets
- 1,360km of kerb and channel maintained

Here are some highlights from 2014/2015 under each of Melton City Council's four themes outlined in the Council Plan 2013–2017.

## 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.

#### 2014/2015 Highlights:

- ✓ Council established a Risk Management Committee in 2014/2015, which will meet four times each year.
- ✓ The Online Project Management System was completed and the 10-year Capital Works Program was loaded into the new system.
- ✓ Council continued to advocate through peak bodies and the Federal Government for continued universal access of 15 hours pre-school for four-year-olds, which was extended by a further 12 months.
- ✓ A Social Media Strategy for Melton's libraries was developed. A Facebook page will be launched in 2015/2016.
- ✓ Around 800 households participated in Council's Householder Customer Satisfaction Survey. The overall community satisfaction with Council was rated as 'very positive'.

#### Fast facts:

- 16 Council service units reviewed
- 152 grant funding requests received (109 were successful)
- \$100,000 in future savings following financial policy review
- \$100,000 in future savings following a change in bank provider



### 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.

#### 2014/2015 Highlights:

- ✔ A Community Engagement Framework and associated Policy and Guidelines were developed to assist Council officers with guidance and structure to support effective community engagement.
- ✔ The Youth Strategy for 2014–2017 was completed. This document will guide Council's youth-related service delivery and community development initiatives.
- ✔ Council's Reconciliation Policy and Reconciliation Roadmap were developed, which will guide and inform Council with future planning and program development.
- ✔ The Safer City Plan 2015–2017 was adopted, providing Council with a strategic framework to promote community safety within the municipality.
- ✔ Council's annual Housing Expo was delivered in partnership with the Community Care and Inclusion Melton CARE Expo. The expo attracted its biggest audience to date, with 700 attendees and 58 exhibitors.

#### Fast facts:

- 1,705 children enrolled in Council's four occasional care centres
- 1,710 four-year-old kindergarten enrolments
- 1,750 young people provided input into the Youth Strategy development
- 21,000 new items added to the library collection

### 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.

#### 2014/2015 Highlights:

- ✔ Mental health was promoted through a beyondblue workshop delivered through the Sons of the West Program, and a four-week Positive Thinking and Meditation initiative.
- ✔ The Taylors Hill Men's Shed opened in May.
- ✔ Outdoor gym equipment was installed at Navan Park and Caroline Lake.
- ✔ Healthy eating initiatives were implemented across a number of Council programs including Conversations with Parents, Cooking and Nutrition for Kids, Kinder Readiness Month and Sons of the West.
- ✔ The Caroline Springs Leisure Centre and Melton Indoor Recreation Centre delivered a range of sporting programs and activities with an average annual occupancy rate of 69 per cent across both centres.
- ✔ A Sports Club Alcohol Accord was developed in conjunction with Victoria Police and signed by 30 clubs.

#### Fast facts:

- 663,776 visitors to three recreation and leisure centres—Melton Indoor Recreation Centre, Caroline Springs Leisure Centre, Melton Waves
- 757 Men's Shed activities held at Melton and Taylors Hill
- 735 children participated in Healthy Children Growing Together initiatives
- 2,500 copies of Healthy Eating Cookbook distributed to the community



## Challenges and Future Outlook

*Melton City Council plans to develop Precinct Structure Plans for urban growth areas.*

### Challenges:

Council was faced with the following challenges in 2014/2015:

- Addressing family violence and community perceptions of safety
- Managing the continuing high population growth rate
- Early provision of key community infrastructure information
- Revitalising strip shopping centres
- Advocating for improved public transport, particularly the duplication of the Melton Rail line
- Negotiating a new Enterprise Bargaining Agreement
- Managing the transition to a rate-cap fiscal environment.

### Beyond 2014/2015:

Council is looking ahead to 2015/2016 and plans to undertake the following actions:

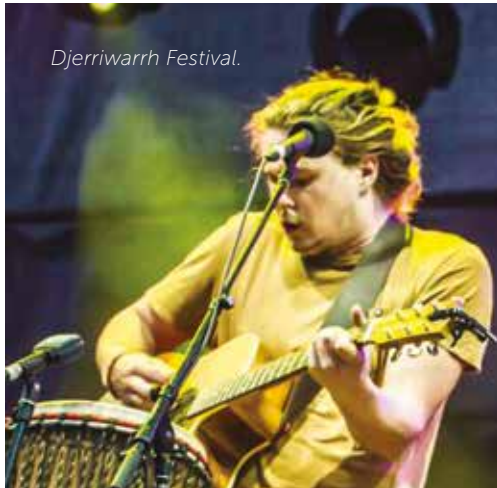
- Develop Precinct Structure Plans for urban growth areas
- Develop Toolern Regional Park
- Foster community pride through significant streetscape improvements and projects such as Pride of Melton
- Review the Municipal Strategic Statement and Melton Planning Scheme
- Complete projects identified in the Capital Works Plan
- Undertake service reviews to identify efficiencies and cost saving opportunities.



*Managing the City of Melton's population growth provides challenges for Council.*



Djerriwarrh Festival.



Australia Day.



Harmony Day 2015.

## Events

Melton City Council hosted the following events in 2014/2015.

### Australia Day celebrations

Volunteers were acknowledged for their work at Council's Australia Day celebration on Monday 26 January. Gill Ellis was named Citizen of the Year, Maddison Wood was chosen as the Young Person of the Year, and Woman of the Year was awarded to Kellie McLaren. The Community Project of the Year went to Busyfeet Melton, delivered by the Rotary Club of Melton Valley in partnership with Melton Specialist School.

### Summersault

A 25,000-strong crowd enjoyed the Summersault Festival in the heart of Caroline Springs on Saturday 21 February.

### Harmony Day 2015

More than 1,000 people attended Council's Harmony Day celebrations on Saturday 21 March at the Caroline Springs Library.

### Women in Business luncheon

Witchmount Estate Winery provided a stunning backdrop for 130 guests attending the annual Women in Business luncheon on Thursday 5 March.

### Djerriwarrh Festival

The 35th Djerriwarrh Festival was held on Saturday 8 November, attracting around 35,000 people to the annual event.



Carols by Candlelight.

### Carols By Candlelight

More than 3,000 people gathered at Hannah Watts Park for Carols by Candlelight on Saturday 13 December.

### Anzac Day

To mark the Anzac Centenary, Council hosted two Dawn Services on Saturday 25 April in collaboration with the Returned Services League and veteran and community partners. In addition, interactive tributes were made to local Anzac heroes and tours of war graves at the Melton Cemetery and Shrine of Remembrance in Melbourne were held.

## Mayor's Message

### Cr Sophie Ramsey

Mayor of Melton City Council

**On behalf of my fellow Councillors, I am delighted to present Melton City Council's Annual Report for 2014/15. We are extremely proud of our achievements and the positive outcomes that have been delivered for our residents.**

The 2014/2015 year saw Council celebrate the completion of a number of major projects, which provide much-needed community infrastructure for residents.

The opening of Bridge Road and Botanica Springs Children's and Community Centres were highlights for the municipality, as was the opening of the Taylors Hill Men's Shed, located at Morton Homestead. In May, we also opened the Western Business Accelerator and Centre for Excellence, a landmark training and economic development facility that is set to change the face of business within the City of Melton and beyond.

Significant programs implemented over the past year include the highly successful LEADS project that saw Council install energy-saving pool blankets at Melton Waves; change most of its public streetlights to more efficient technology (using up to 60 per cent less energy) and upgrade nine community facilities so that they use less electricity and gas to run. We launched a number of Healthy Melton initiatives, such as the Healthy Melton Facebook page and our Healthy Food and Drink Guide and launched our innovative business attraction program, Venture Melton. Construction on the Burnside Heights Community and Children's Centre and the Bridge Road Athletics and Hockey Facility also commenced during the year.

Throughout the year, I have been afforded many opportunities to advocate on behalf of our community to all levels of government on a range of issues. It is pleasing to note that we received additional grant funding for a number of projects throughout 2014/2015, including the Bridge Road Sports Precinct, which will contribute significantly to Council's capacity to deliver on the expectations of its community. Another positive was the State Government's announcement of funding to purchase land for a new secondary school in Taylors Hill West.

We also built on our community engagement program by holding a number of engagement expos across the City. These expos were an opportunity for members of the community to have their say on a number of key strategic directions, including transport, multiculturalism, arts and culture, youth, safety, reconciliation, learning communities and more.

Finally, on behalf of my Councillor colleagues, I would like to thank the organisation's Executive Team and staff for their hard work and commitment over the past 12 months. I look forward to another successful year ahead as we work towards consolidating the City of Melton's position as one of the most desirable places to live, work and play.



*Sophie Ramsey*

# Chief Executive Officer's Report

**Kelvin Tori**

Chief Executive Officer

**On behalf of Melton City Council, I am pleased to present this Annual Report, which outlines the organisation's performance in 2014/2015.**

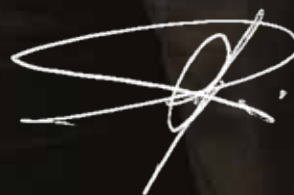
The past financial year has again been a very successful time for Melton City Council. We have seen the completion of several major projects, such as construction of the Western Business Accelerator and Centre of Excellence, Botanica Springs Children's and Community Centre, and the Bridge Road Children and Community Centre. These major building projects are continuing evidence of Council's commitment to the early delivery of quality infrastructure to its ever growing community.

Council's Advocacy Strategy developed in 2013/2014 has produced significant outcomes for Council and the community, through the attraction of additional grant funding, most notably, a commitment from the State Government to create the Interface Growth Fund. This fund, with an initial allocation of \$50 million, will assist the 10 Interface Councils to bridge the gap between facilities available in the inner metropolitan area as compared to those available in the Interface Region. Council, together with other Interface Councils, has advocated long and hard for the creation of such a fund, and the partnership this fund demonstrates between local council and state government bodes well for future development of our municipality.

Organisationally, Council continues to expand its service delivery into the community in an efficient and planned manner through better use of technology and a strategic approach to understanding community need. Growth remains a major challenge for Council, however Councillors and staff are united and committed in their endeavours to ensure that the Melton community is a proud community growing together.

Council continues to work diligently with the Metropolitan Planning Authority in the development of precinct structure plans across the identified Urban Growth zone, and a number of these precinct structure plans are nearing completion. The commencement of the Woodlea development at Rockbank North was also pleasing. In the fullness of time, this new community will be home to in excess of 20,000 people.

In closing, I extend my sincere appreciation to all Council staff for their commitment to the community and the organisation and their significant contribution to enhancing the lives of residents. I also acknowledge and thank all Councillors for the positive manner in which they partner with staff to ensure a well serviced community and for their strategic guidance and leadership to the organisation.



# Financial Summary

**\$1.365B** net worth

**\$51.6M** operating surplus

**\$47.7M** cash liquidity

**\$5.3M** spent on infrastructure renewal

Melton City Council's equity increased by \$48 million in 2014/2015.

This was mainly due to \$39.2 million of infrastructure assets contributed by developers, and receipt of 50 per cent of the 2015/2016 Commonwealth Government Financial Assistance Grant received in advance.

At the end of the financial year, Council's net worth to the community was \$1,365 million.

## Operating Position

Council achieved an operating surplus of \$51.6 million for the 2014/2015 reporting period. This is \$8.2 million lower than the previous year.

The result was predominantly driven by developer contributed assets and receipt of 50 per cent of the 2015/2016 Commonwealth Government Financial Assistance Grant in 2014/2015.

This surplus has reduced the impact of the Commonwealth Government's decision to freeze indexation on grants for three years starting from 2014/2015.

The actual surplus of \$51.6 million is \$5.2 million lower than budgeted, resulting from \$5.9 million lower revenue with savings of \$0.7 million combined.

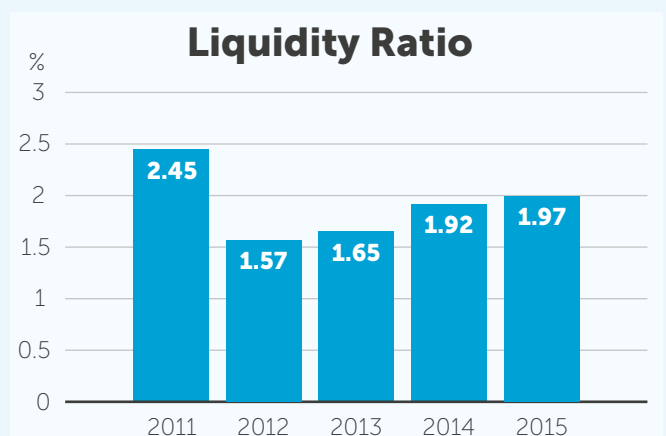
## Liquidity Position

Council's cash position at the end of the year increased by \$9.5 million to \$47.7 million.

This was mainly due to the receipt of 50 per cent of the 2015/2016 Commonwealth Government Financial Assistance Grant and net increase in borrowing of \$3.8 million.

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 2014/2015 this measure was 1.97 per cent. A ratio higher than 1 per cent means there is more cash and liquid assets than short-term liabilities.



## Financial Summary

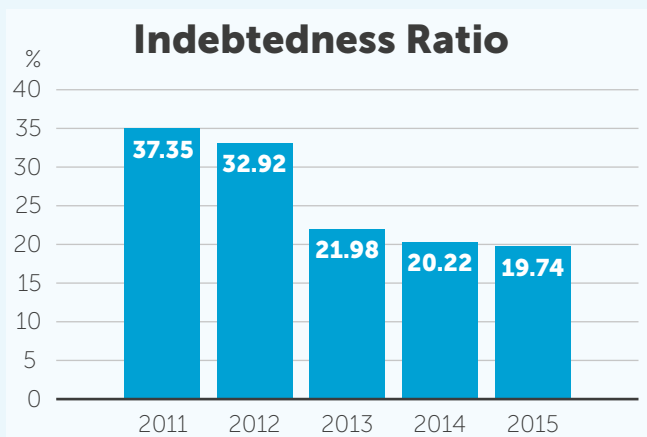
Council aims to ensure that it is in a position to maintain its infrastructure assets at expected levels while continuing to deliver essential services and new infrastructure required for a growing community.

In 2014/2015, Council spent \$5.3 million in infrastructure renewal during the reporting period.

At the end of the financial year Council had \$28.5 million in outstanding borrowings.

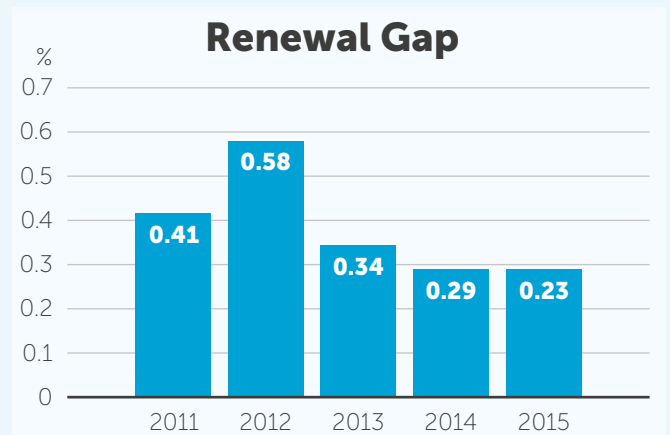
Council's indebtedness ratio is a comparison of non-current liabilities (mainly comprised of borrowings) to own-sourced revenue. It is a measure of Council's capacity to pay non-current liabilities when they fall due. The higher the percentage, the less able to cover non-current liabilities from the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

For 2014/2015 the indebtedness ratio is under 20 per cent. A percentage under 40 per cent is considered as no concern over the ability to repay debt from own-sourced revenue.



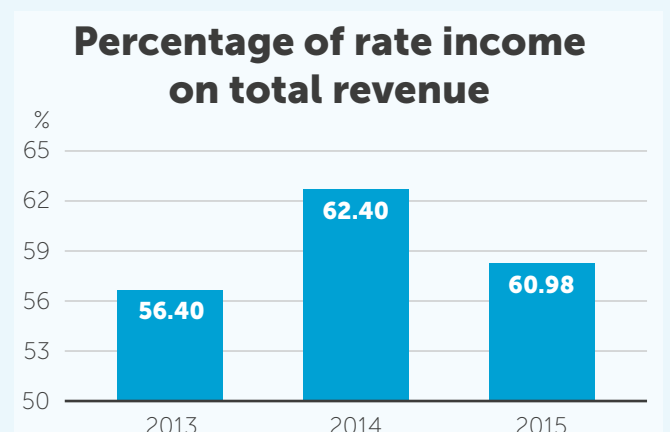
## Asset Renewal Ratio

This is a measure of Council's expenditure on maintaining existing assets as a percentage of depreciation expenses. Council's expenditure in this area is low due to a high proportion of Council's infrastructure being relatively new and does not warrant significant upkeep. Instead, Council spends a significant amount in upgrading existing assets and on new assets.



## Stability

Council's revenue stream comprises of rates revenue, 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.





## Description of Operations

*Western Business Accelerator and Centre for Excellence.*

Melton City Council is responsible for more than 120 services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget.

This broad range of community services and infrastructure for residents support the wellbeing and prosperity of the community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in the 2013–2017 Council Plan, and the 2014–2017 Budget, and reported in this Annual Report. See the Our Performance section on page 24 for more information about Council services.

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 and Australian legislation.

### Economic Factors

The rate of growth in Melton continued to be low in 2014/2015 compared to the past decade, however showed some slight improvement.

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

The completion of the Western Business Accelerator and Centre of Excellence was a significant investment to support business development for Melton and the broader western region.

Construction commenced on the new 1,000-bed medium security men's prison at Ravenhall. This major construction project will create thousands of jobs during the construction phase, and more than 1,000 ongoing jobs once operational, providing a major boost to the local economy.

### Major Capital Works

During 2014/2015, major capital works included the following:

#### Western Business Accelerator and Centre for Excellence

The Western Business Accelerator and Centre for Excellence (BACE) at 222 Ferris Road was opened on Friday 8 May.

Western BACE is a purpose-built facility for the development and growth of small businesses in Melbourne's western region.

Key features include:

- Offices and workshop spaces provided at discounted rental rates, month-to-month licensing and flexible co-working spaces for casual use by home-based businesses and micro-businesses looking for a temporary workspace
- Business mentors who provide expert advice and support business networking opportunities with other accelerator members
- A Centre for Excellence that teaches jobs skills and provides research, training, and specialised teaching areas
- State-of-the-art facilities such as an IT hub
- Meeting rooms and a café.

The Western BACE is one of Australia's most environmentally sustainable public buildings, producing zero greenhouse gas emissions and has a 6 Star Green Star Rating from the Green Building Council of Australia.

The Australian Government provided \$14.62 million in funding for the Western BACE project through the Suburban Jobs Program, a Melton City Council initiative supported by Federation University Australia, Victoria University, Kangan Institute, Burbank and Lend Lease.

#### New children's and community centres

Council opened two new children's and community centres in 2014/2015 to accommodate its growing young community.

The Bridge Road Children's and Community Centre, located at 260 Bridge Road in Melton South, opened on 13 May 2015.



Botanica Springs Children's and Community Centre.

Botanica Springs Children's and Community Centre, located at 249 Clarkes Road in Brookfield, opened the following week on 19 May.

Both facilities provide three kindergarten rooms and high quality outdoor play spaces, occasional care, vacation care, maternal child health services, and a large community room, kitchen, outdoor deck and garden.

Construction of these centres increases Council's capacity to deliver quality early learning opportunities for young residents through programs that encourage investigation, discovery and play.

They also better equip Council to provide services to a range of people within our community including Culturally and Linguistically Diverse groups, seniors and special interest groups.

Council contributed \$4.7 million to each project with contributions of \$1.5 million funding through the Department of Education and Training and \$500,000 from the Department of Environment, Land, Water and Planning.

### Taylor's Hill Men's Shed

The Taylor's Hill Men's Shed opened on 28 May 2015, providing men living in the City's eastern corridor an opportunity to build friendships with neighbours and share ideas.

The Men's Shed provides a range of programs and activities including woodwork, cooking, gardening, health forums and community projects.

Council contributed \$250,000 to the project and received \$60,000 in State Government funding.

The Taylor's Hill Men's Shed is located on Morton Boulevard, Taylor's Hill.

### Bridge Road Sports Precinct

Construction on the Bridge Road Sports Precinct, which includes dedicated hockey and athletics facilities, started in March 2015.

Key features include:

- Athletics track
- Field facilities
- Hockey pitches
- Community pavilion
- Storage building.



Taylor's Hill Men's Shed.

The site will be extensively landscaped with trees, gardens, grassed areas and spectator viewing mounds.

Stage one works are expected to be completed by June 2016.

The project is valued at \$11.3 million. Council has secured \$1.3 million from the State Government towards the delivery of the precinct.

## Major Changes

A number of structural changes occurred at Council in 2014/2015.

Following service reviews, Council stopped providing Early Intervention Services through the Children Services Unit, and closed Melbacc Respite Services through the Aged and Disability Unit.

The Organisational Development Unit was renamed People and Culture Unit, and line management of the unit shifted from Chief Executive to General Manager Corporate.

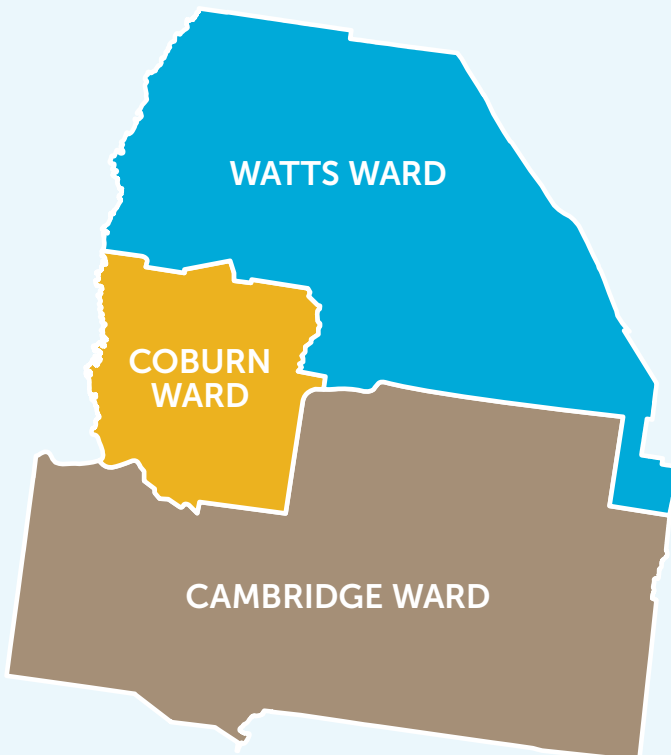
A significant restructure was announced during the year, creating two new units—Legal Services and City Design, Strategy and Environment. This change resulted in a number of functions being shifted to alternative units to better align the organisation and improve outcomes and efficiencies. The restructure will take effect on 1 July 2015.

## Major Achievements

- ✓ The Aquatic Plan 2014–2034 was adopted in 2014/2015, which identifies future aquatic and leisure facilities required to cater for the City's population growth. Short-term actions include acquiring a site for the development of a district or regional aquatic and leisure centre in the Plumpton area and preparing concept, detailed design and business plans for the development.
- ✓ Precinct Structure Plans were completed for Rockbank, Kororoit, Plumpton, Mt Atkinson and Tarneit Plains.
- ✓ Council's Youth Strategy 2014–2017 was launched in February 2015 following extensive research and community engagement. The strategy will be used to guide Council's youth related service delivery and community development initiatives, focusing on key issues such as education, employment, transport, housing, and health and wellbeing for young people aged 10–25 years.

# City Profile

## Melton City Council is divided into three wards



## Wurundjeri people

are the original custodians



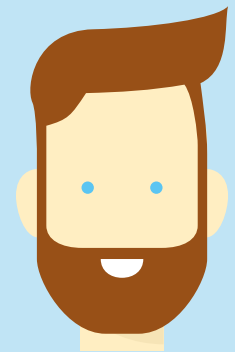
**6,800**

registered businesses

## Major employment sectors:

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

## Age groups:



**Median age is 31 years**

(compared to 36 years for Greater Melbourne)



**28.8% aged between 0 and 17 years**

(compared to 22.2% for Greater Melbourne)



**10.7% aged 60 years and over**

(compared to 18.2% for Greater Melbourne)

## The top 5 countries by birthplace

(other than Australia, which is the highest)



United Kingdom



India



Philippines



New Zealand



Malta

## The top 5 languages spoken at home

(other than English, which is the highest)



*mabuhay*

Filipino

*merħba*

Maltese

добредојден

Macedonian

*chào mù'ng*

Vietnamese

أهلا بك

Arabic



# Councillors

## Coburn Ward



### Mayor Cr Sophie Ramsey

First elected October 2001

**Email:** [sophie.ramsey@melton.vic.gov.au](mailto:sophie.ramsey@melton.vic.gov.au)

**Mobile:** 0412 584 067



### Cr Bob Turner

First elected November 2008

**Email:** [bob.turner@melton.vic.gov.au](mailto:bob.turner@melton.vic.gov.au)

**Mobile:** 0412 584 224



### Cr Myles Bentley

First elected April 2015

**Email:** [myles.bentley@melton.vic.gov.au](mailto:myles.bentley@melton.vic.gov.au)

**Mobile:** 0407 015 022

## Cambridge Ward



### Deputy Mayor Cr Nola Dunn

First elected October 2012

**Email:** [nola.dunn@melton.vic.gov.au](mailto:nola.dunn@melton.vic.gov.au)

**Mobile:** 0408 794 232



### Cr Kathy Majdlik

First elected November 2008

**Email:** [kathy.majdlik@melton.vic.gov.au](mailto:kathy.majdlik@melton.vic.gov.au)

**Mobile:** 0412 584 058

## Watts Ward



### Cr Renata Cugliari

First elected November 2004

**Email:** [renata.cugliari@melton.vic.gov.au](mailto:renata.cugliari@melton.vic.gov.au)

**Mobile:** 0438 057 807



### Cr Lara Carli

First elected October 2012

**Email:** [lara.carli@melton.vic.gov.au](mailto:lara.carli@melton.vic.gov.au)

**Mobile:** 0409 951 020



## Our People

**482** Council employees

**192** professional development workshops held

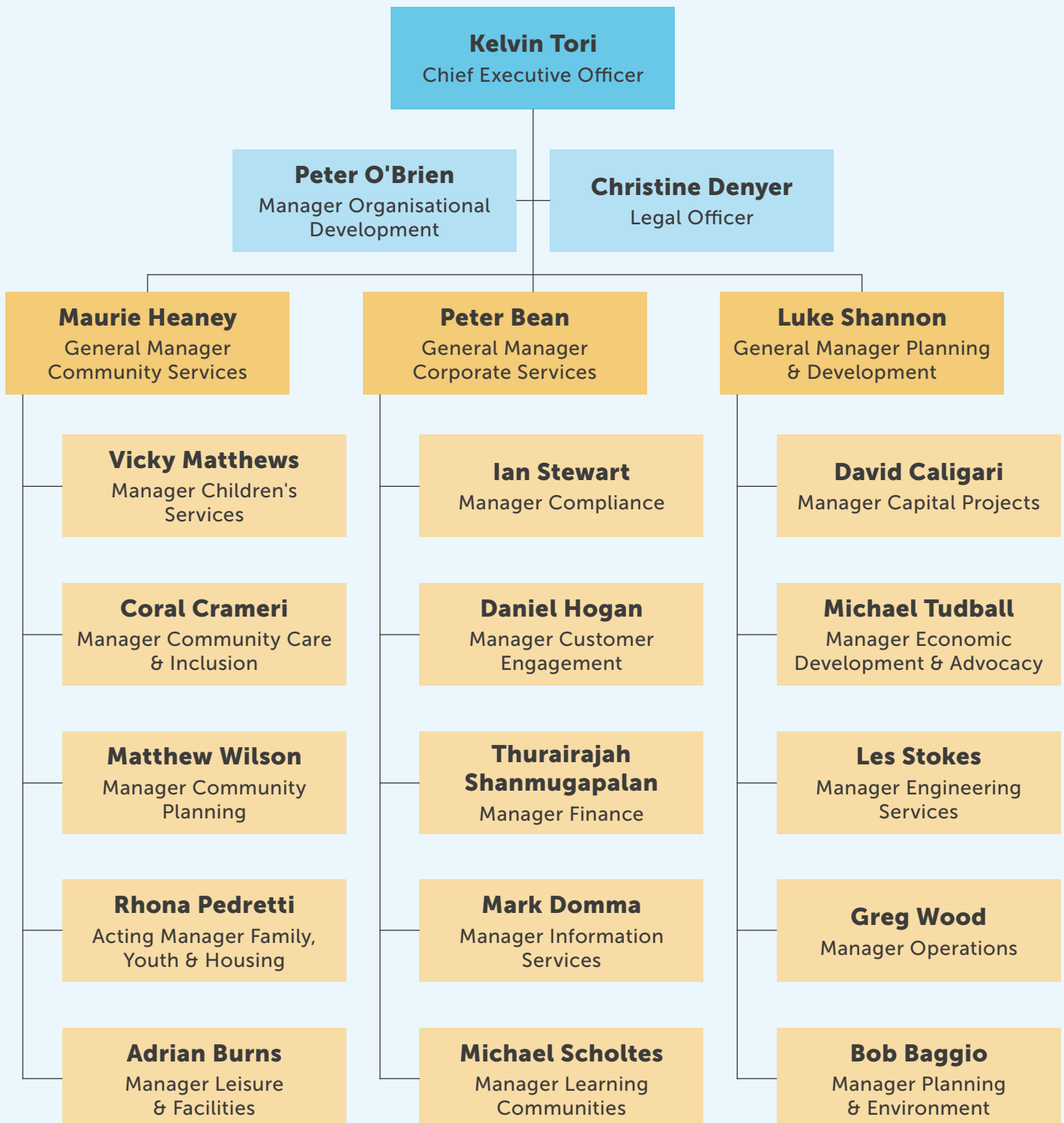
**2** staff mentoring programs delivered

**11** employees accessed Council's Study Assistance Policy

**12** emerging leaders took part in the Local Government Management Challenge

**816** volunteers

# 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.



## Kelvin Tori

### Chief Executive Officer

**Contract period:** 11 May 2011–11 May 2016

**Remuneration:** \$359,707.03—includes a motor vehicle and employer's superannuation

**Entitlements:** Reimbursement or payment of all membership fees, subscriptions along with costs associated with approved conferences, seminars, in-service training courses and study.

Kelvin Tori was appointed Chief Executive Officer of Melton City Council in May 2011 after serving eight years in the position of General Manager Corporate Services.

Kelvin delivers strategic guidance for the management and operations of Council, and is responsible for providing strong leadership to the organisation.

He has more than 30 years experience in Local Government and holds a Bachelor of Economics and Politics.



## Maurie Heaney

### General Manager Community Services

Maurie Heaney has 24 years experience in Local Government. He manages infrastructure provision and community service delivery for Melton City Council. His portfolio covers a number of significant areas including Community Care and Inclusion, Children's Services, Community Planning, Family, Youth and Housing, and Leisure and Facilities.



## Peter Bean

### General Manager Corporate Services

Peter Bean has more than 20 years Local Government experience, having worked for metropolitan, interface and north eastern councils. His portfolio at Melton City Council includes Customer Engagement, Compliance, Information Services, Learning Communities, Finance, and Mayor and Councillor Support. Peter holds a Bachelor of Business (Local Government), Graduate Certificate in Local Government Management and a Masters of Business Administration.



## Luke Shannon

### General Manager Planning & Development Services

Luke Shannon holds a Bachelor of Applied Science (Environmental Planning) and a Graduate Diploma in Cultural Heritage. He has worked in Local Government for 24 years and his portfolio at Melton City Council includes Economic Development and Advocacy, Capital Projects, Engineering Services, Operations, and Planning.



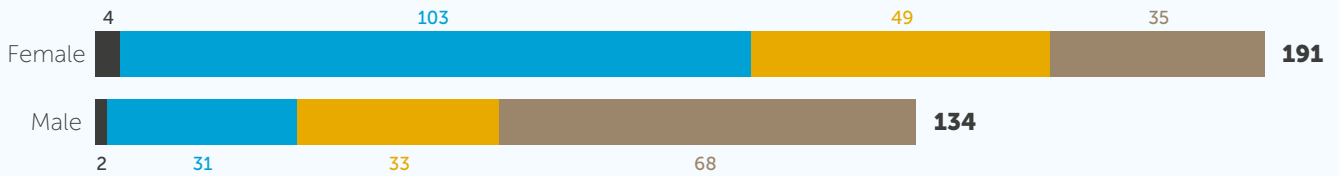
# Our Workforce

## Council Staff

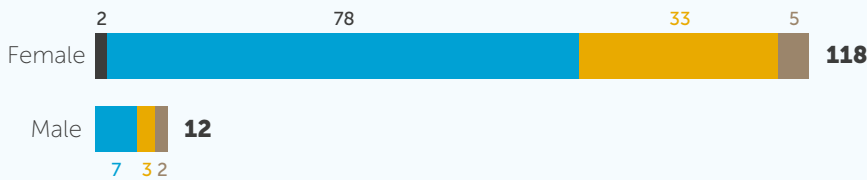
(FTE: Full Time Equivalent)

■ CEO FTE    
 ■ Community FTE    
 ■ Corporate FTE    
 ■ Planning FTE

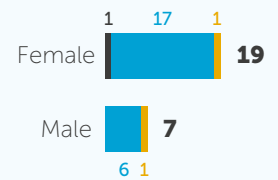
### Permanent Full Time



### Permanent Part Time



### Casual



## Employment by Remuneration Classification

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	20	4	24
Band 2	32	8	40
Band 3	19	7	26
Band 4	81	14	95
Band 5	57	34	91
Band 6	51	33	84
Band 7	26	30	56
Band 8	7	8	15
Band N/A	34	17	51
<b>Total</b>	<b>327</b>	<b>155</b>	<b>482</b>

## Equal Employment Opportunity Program

Council's Equal Opportunity Policy is incorporated into a comprehensive induction program that engages all staff early in their employment, so that all staff are aware of their responsibilities and Council's expectations.

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

Training programs in cultural awareness, particularly in relation to Aboriginal and Torres Strait Islanders, enable leaders to be aware of issues for both staff and users of Council services.

Council also undertook Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) training to enable staff and managers to better understand issues that LGBTI staff face in the workplace.

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

## Enterprise Bargaining Agreement

The third of a four-year Enterprise Bargaining Agreement was completed in 2014/2015. It included a 3.5 per cent pay rise, common to all years of the agreement.

During the year, all professional staff participated in an Annual Performance Appraisal as part of the EBA.

## Professional Development

Council provided staff with a fully funded Corporate Training Framework, Leadership Framework and Mentoring Framework.

Corporate Training Framework initiatives included induction, systems, professional development, Microsoft Office and Occupational Health and Safety. A total of 153 workshops were facilitated across 40 development modules.

The Leadership Framework incorporated the Melton City Council Leadership Experience, Core Leadership Capabilities, Risk Management/Occupational Health and Safety, and Recruitment and Selection programs. Staff attended 42 workshops across 14 development modules.

Two iterations of the Melton City Council Mentoring Program were undertaken in 2014/2015. A total of 38 staff participated, which saw a combined total of 19 mentoring relationships established.

## Preventing Violence Against Women

Council's work in Preventing Violence Against Women (PVAW) is guided by the following strategic documents:

- Preventing Violence Against Women and their Children Strategy and Action Plan 2013–2016
- Preventing Violence Against Women and Children Policy
- Family Violence Workplace Policy and Procedures
- Preventing Violence Together (PVT): Western Region Action Plan to PVAW (signatory)

Under Council's PVAW Strategy and Action Plan, Council's work is guided by the following four preventative strategies:

- Strong Partnerships
- Council as a Violence Prevention Leader
- A Strong and Supportive Environment
- An Informed and Vocal Community

The following PVAW outcomes were delivered in 2014/2015:

- A submission to the Victorian Royal Commission into family violence
- Council's internal White Ribbon Action Team was convened
- The Melton Family Violence Network was convened
- Council and community events for White Ribbon Day, Neighbourhood House Week and Refugee Week were delivered
- A series of posters themed Women Making It Happen in the City of Melton were created for International Women's Day
- Council participated in the Western Leaders Unite Forum led by the Regional Management Forum
- Council staff attended the VicHealth PVAW Short Course
- PVAW primary prevention messages were promoted through media articles and Council's social media platforms
- Support and advice was provided to key stakeholders including Victoria Police
- Council participated and contributed to local, state and regional committees including MAV PVAW Network, VicHealth Community Partners Forum, Council's Community Safety Advisory Committee and the Western Integrated Family Violence Network
- Multiple initiatives were delivered through the Preventing Violence Together (PVT) Western Region Action Plan, including:
  - Representation on the PVT Implementation Committee and Executive Governance Group
  - Involvement in the PVT 16 Days of Activism campaign
  - Contribution to a draft Gender Audit Guidelines document
  - 90-plus responses to the annual PVT Gender Equity Staff Survey received
  - Involvement in Gender Equity in Sports Clubs Working Group

## Health and safety

Council continued to foster a culture of employee safety.

As part of Council's ongoing review of the top five working risks, groups were formed to address working alone and occupational violence.

Council took steps to promote near-miss reporting, which is critical for identifying and addressing hazards before injuries and incidents occur. Near-miss reporting has been streamlined into an easy to access, on-line process.

As a result, the number of near misses reported rose from six in 2013/2014 to 36 in 2014/2015. The increased reporting has enabled staff, management and the safety team to proactively resolve a number of hazards.

2014/2015 Lost Time Injuries (LTI): **15**

2014/2015 Lost Days: **359**

2014/2015 Lost Time Injury Frequency Rate: **16.29**  
(LTI/total hours worked x 1,000,000)

## Volunteers

Melton City Council would like to thank all **816** people who volunteered their time, skills and expertise to assist in Council programs, events and festivals in 2014/2015.

The table below 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
Aged Care and Disability Programs at Melbacc	2	Volunteers assisted with activities such as craft and exercise classes, and provided extra support for those aged or living with a disability to access the community.
Ageing Well	7	Ambassadors delivered Council's Ageing Well exercise programs. They delivered programs such as Tai Chi for Arthritis, Seniors Walking Group and the Nordic Walking Groups in Melton, Melton South and Taylors Hill.
Events	96	Volunteers worked at Council events and festivals, helping out with car parking, marshalling, providing information to attendees and food service.
Environment	566	Volunteers participated in activities to improve the City of Melton's land and waterways including Clean Up Australia Day, National Tree Planting Day and Sustainable Cities Awards, along with regular planting, weeding, watering, seed collection and bird observing.
Food Services	2	Volunteers assisted with general duties in the kitchen and dining rooms for Council's meals on wheels service, centre-based meals program and Planned Activity Groups. They also hosted the Chat and Chew program.
Men's Shed	17	Volunteers provided around 320 hours of support to Men's Shed classes, projects and groups each month.
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.
Planned Activity Groups	17	Volunteers assisted Planned Activity Group support workers to deliver programs and activities.
Libraries	27	Library volunteers assisted with home service deliveries, family history research, the digitisation project, chess club and English conversation classes.
Volunteer Transport	10	Volunteers provided door-to-door transport for people in need to get to medical or other appointments.
Carers Group	1	Volunteers assisted carers by encouraging social and peer support, and helped at outings or special events.
Walking School Bus Program	5	This program is supervised by volunteer parents to provide a safe, healthy and convenient way for children to travel to and from school.
Youth	43	Youth volunteers took part in 43 youth-led event programs that engaged young people.



## Our Performance

*Bridge Road Sports Precinct under construction.*



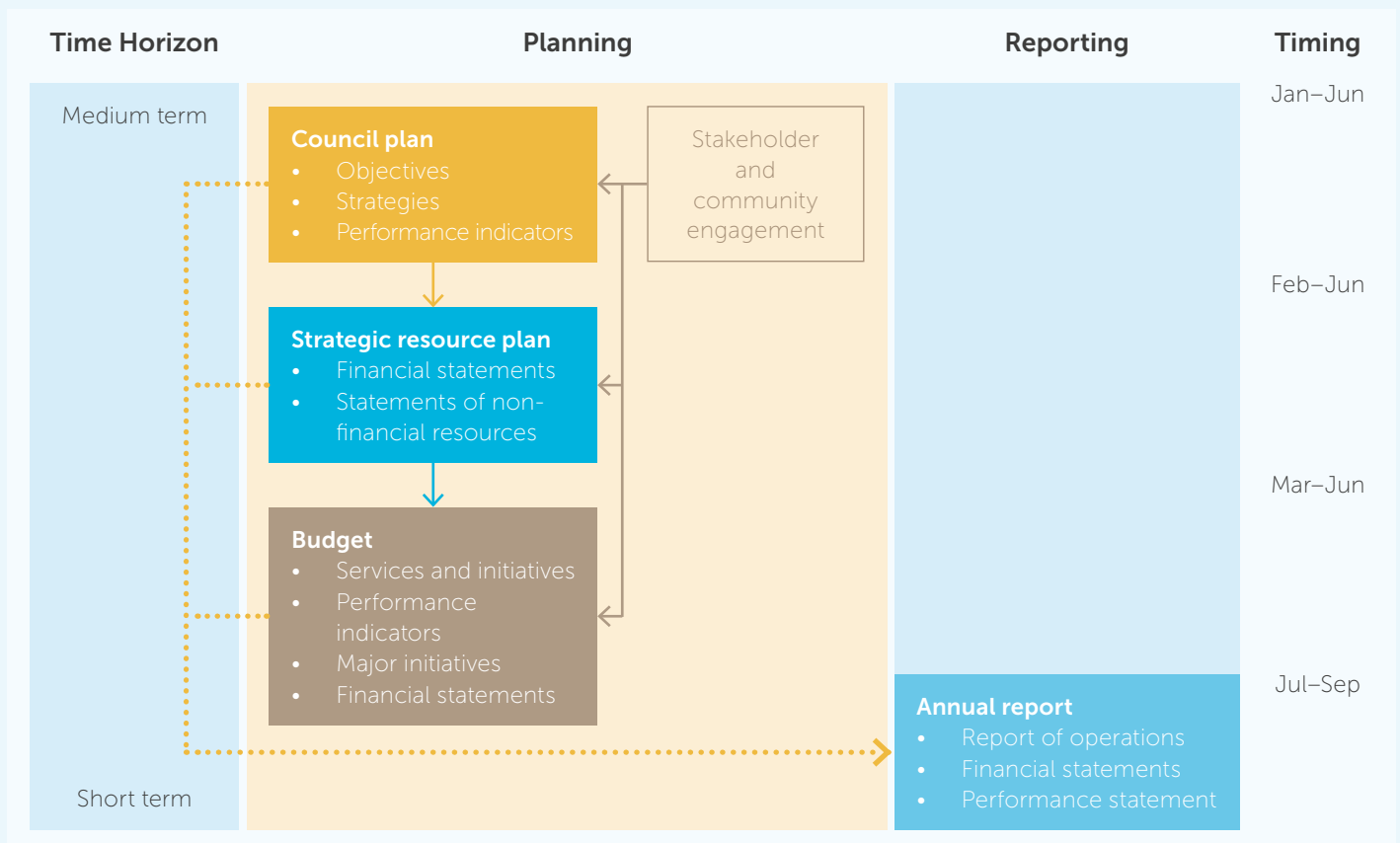
# Planning and Accountability Framework

The planning and accountability framework is found in part 6 of the *Local Government Act 1989*, and in the regulations.

Under the Act, councils are required to prepare the following documents:

- A Council Plan within six months following a general election, or by 30 June (whichever is later)
- A Strategic Resource Plan for a period of at least four years, which is included in the Council Plan
- A budget for each financial year
- An Annual Report for each financial year.

This 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:

<b>Themes</b>	Used to focus councils' strategic planning into common subject matter and are usually a few keywords followed by a short statement of explanation
<b>Strategic Outcome</b>	Describes the desired future condition upon the achievement of the stated objectives
<b>Objectives</b>	The strategic purpose statements that set the direction to manage underlying issues or take advantage of opportunities
<b>Strategies</b>	Set of approaches directed at achieving the objectives in the Council Plan
<b>Strategic Performance Indicators</b>	What is measured to assess performance against 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 2014/2015 year has been reported against each council plan theme, desired outcome and objectives to demonstrate how council is performing in achieving the 2013–2017 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 prescribed service performance indicators and measures.

## Council Annual Action Plan

All Melton City Council activities (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 are published on Council's website.

The *2014/2015 Council Annual Action Plan End of Year Performance Report* was presented to Council at the 8 September 2015 Ordinary Meeting. The report provides commentary on achievements, progress and explanations for delays and postponements. Of the 106 actions documented in the plan as at 30 June 2015, 84 actions were completed. Of the actions not completed, 14 are expected to be completed by 31 December 2015 and 7 are expected to be completed by 30 June 2016. One action was postponed.

A copy of this report is available at [melton.vic.gov.au](http://melton.vic.gov.au)

## Theme 1: Managing our growth

**93%** Community satisfaction with access to efficient public transport

**7.62/10**

Community satisfaction with facilities and services  
(7.33 average for Greater Melbourne)

**15/26**

Items from the 2014/2015 Annual Action Plan achieved

**7.91/10**

Community satisfaction with recreational and leisure centres  
(7.71 average for Greater Melbourne)

**7.33/10**

Community satisfaction with litter collection in public areas  
(7.04 average for Greater Melbourne)

**80%** of capital construction projects and programs delivered on time and budget

\*All community satisfaction results are from the Melton Resident Survey, Metropolis, 2014

## Theme 1: 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 included in the Council Plan.

#### **Objective: 1.1 Strategically plan for a well designed and built City.**

Strategic Indicator	Result	Comments
Community satisfaction with facilities and services	7.62	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 7.33
Percentage of Council owned or managed heritage sites preserved or adapted for use	100%	Thirteen heritage sites listed on the Council Asset Register
Increase the number of social and public housing opportunities in the City	1.96%	Current social housing stock is 508. There has been a small increase of 10 properties by the Department of Health and Human Services. No reported increase in social housing by housing associations

#### **1.2 Build a sense of place through an engaging range of community facilities and shared open spaces.**

Community satisfaction with community facilities	7.62	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 7.33
Community satisfaction with recreational and leisure centres	7.91	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 7.71
Community satisfaction with public areas:		Average rating out of 10 Melton Resident Survey Metropolis 2014
Maintenance of parks and gardens	7.39	Average Melbourne metro ratings:
Maintenance and cleaning of shopping strips	7.59	Maintenance of parks and gardens 7.7
Litter collection in public areas	7.33	Maintenance and cleaning of shopping strips 7.13 Litter collection in public areas 7.04
Community satisfaction with the condition of local roads	6.99	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 6.95
Community satisfaction with the condition of footpaths	6.69	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating of 6.66

### 1.3 Generate an innovative local economy that stimulates opportunities for investment, business and training.

Increase in the number of businesses registered in the City	Data not available	Australian Business Register portal is under construction and Local Government Area filtered data is not available until the end of the 2015 calendar year
City's unemployment rate	1.3% increase	Unemployment rate has been increasing by approximately 0.3% each quarter
Rate of school leavers entering higher education, vocational education or employment	74.8%	Source: On Track Survey LGA website This figure represents 2013 data published in September 2014. At the time of publishing this report the 2014 data had not yet been published
Council's activities promoting local economic development	6.95	Average rating out of 10 for sealed road maintenance and repairs Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 6.77

### 1.4 Value and protect the natural environment for future generations.

Reduction in Council's energy consumption per EFT:		Number and type of cars/kilometres usage
Reduction in fleet emissions	25%	Number of street lights replaced/usage from standard and energy efficient lights
Reduction in street light emissions	20%	Top four buildings electricity usage is calculated from the sum of: +6% Caroline Springs Stadium -23% Melton Civic Centre +23% Caroline Springs Library -3% Melton Library
Reduction in Top 4 buildings:	-3%	
Percentage of waste diverted from landfill	44.4%	Operations scorecard
Volunteer rates in local environment groups	566	Number of active volunteers
Percentage of eligible landowners who retain the Environment Enhancement Protection rebate	96%	Number of landowners who get their rebate back divided by number of eligible landowners

### 1.5 Support a transport system that connects and moves our community.

Community satisfaction with access to affordable and efficient public transport	93.2%	Melton Resident Survey Metropolis 2014
Percentage of residents who reside within 400 metres of a bus stop	77%	Sourced from Council's Global Information System (GIS)/ population data
Public transport that goes where I need to go	83.5%	Percentage of Survey Respondents who agreed with the statement Melton Resident Survey Metropolis 2014

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014–2015 budget.

Major Initiatives	Progress	Comments
Construction program of the Western Business Accelerator and Centre for Excellence (BACE)	Completed	Building now fully operational under Western BACE Ltd. Internal systems have been established for ongoing maintenance of the facility. Nine tenancies commenced at project completion
Capital Works program	Completed	More than 80% of capital construction projects and programs have been delivered on time and budget
Morton Homestead Dairy Sheds restoration project	Completed	The Men's Shed is complete and is operational

The following statement provides information in relation to the services funded in the 2014/2015 budget and the persons or sections of the community who provided these services.

Service	Description	Net Cost Actual Budget Variance \$000
Capital Projects	<p>Capital Projects is 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.</p> <p>The unit's primary responsibility is to achieve the timely programming and roll-out of Council's capital projects.</p> <p>This business area includes the Civil Works, Capital Works Management, Enterprise Project Management, Capital Projects teams.</p>	<p>-\$137</p> <p><u>-\$1,605</u></p> <p>-\$1,468</p>
Economic Development and Advocacy	<p>Economic Development and Advocacy supports our local economy through networking, business development and investment attraction strategies.</p> <p>A primary focus is to support the continued economic growth in the City of Melton, generate local employment opportunities, and position the municipality as a leading, vibrant and diverse place of business and visitor experiences.</p> <p>Council Economic Development and Advocacy area also manages the Western BACE project, which will provide workspace and support for new and developing businesses, giving opportunities to expand and develop skills that will ultimately create business growth and further employment options for local residents.</p> <p>Our advocacy service provides the framework and support to Council and the community in advocating for much-needed services and infrastructure to support a proud, growing community.</p> <p>This business area includes the Economic Development and Tourism, Western BACE Project Management and Growth Areas Broker teams.</p>	<p>\$2,679</p> <p><u>-\$346</u></p> <p>\$2,332</p>
Engineering Services	<p>Engineering services provides design for capital works, traffic management planning, built assets management, civil and landscape infrastructure planning, and geographic information systems.</p> <p>This business area accommodates Asset Management, Design and Traffic, Geographical Information Systems and Infrastructure Planning teams.</p>	<p>\$4,549</p> <p><u>\$4,892</u></p> <p>\$343</p>
Planning and Environment	<p>Planning and Environment with Council is responsible for town planning, planning permits, statutory planning, environmental, subdivisions, and maintenance of the Melton Planning Scheme through the preparation and review of relevant strategic land use planning documents and undertaking planning scheme amendments.</p> <p>Major Developments manage the statutory planning process in growth areas through implementing Precinct Structure Plans and Development Contributions Plans.</p> <p>Council's Environmental area provides services that protect and enhance the environment including sustainability programs to reduce environmental impact and energy consumption. This is delivered through environmental education programs, provision of environmental planning advice and land management on private rural property within the City.</p> <p>The business area includes Major Developments, Strategic Planning and Urban Design, Statutory Planning and Environmental teams.</p>	<p>\$2,982</p> <p><u>\$3,548</u></p> <p>\$566</p>

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

<b>Service/Indicator/Measure</b>	<b>Result</b>	<b>Comments/ Material Variations</b>
<b>Statutory Planning</b>		
<b>Timeliness</b> <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)	79	
<b>Service standard</b> <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	65.09%	
<b>Service cost</b> <i>Cost of statutory planning service</i> (Direct cost of the statutory planning service/ number of planning applications received)	\$3,296.83	
<b>Decision-making</b> <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	50%	
<b>Roads</b>		
<b>Satisfaction of use</b> <i>Sealed local road requests</i> (Number of sealed local road requests/kilometres of sealed local roads) x 100	15.49%	
<b>Condition</b> <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	99.54%	
<b>Service cost</b> <i>Cost of sealed local road reconstruction</i> (Direct cost of sealed local road reconstruction/square metres of sealed local roads reconstructed)	\$79.46	
<b>Service cost</b> <i>Cost of sealed local road resealing</i> (Direct cost of sealed local road resealing/square metres of sealed local roads resealed)	\$18.60	
<b>Satisfaction</b> <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)	62	Local Government Victoria's Customer Satisfaction Survey 2015

## Theme 2: A well governed and leading organisation

**63** Community satisfaction overall with Council services\*  
(Interface councils' average is 62)

**7.91/10** Community Satisfaction with leisure centres\*\*  
(7.71 average for Greater Melbourne)

**30/35** Items from the 2014/2015 Annual Action Plan achieved

**7.46/10** Community satisfaction with information provided about Council services  
(6.8 average for Greater Melbourne)\*\*

**98%** Council staff who achieved a satisfactory or above level in their performance plans

\*Results from the Local Government Victoria Customer Satisfaction Survey

\*\*Community satisfaction results from the Melton Resident Survey, Metropolis, 2014



## Theme 2: 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	Comments
Community confidence in Council decision-making	60	Source: 2015 Local Government Victoria Customer Satisfaction Survey  Result indicates above the State average of 56 and interface councils' average of 57
Working Capital Ratio	1:1.97	Based on year end audited statement
Long-Term Obligations Ratio	19.7%	Outstanding loans to rate revenue (indebtedness ratio)
Debt Repayments Ratio	14.6%	Debt servicing and repayment of principal as a percentage of rate revenue (debt commitment ratio)
Percentage of Council asset base outside of intervention levels	0.8%	Roads only. No data for other asset classes

#### **2.2 Provide levels of service that balance community need with organisational capacity.**

Community satisfaction overall with Council services	63	Source: 2015 Local Government Victoria Customer Satisfaction Survey  Result indicates above State average of 60 and interface councils' average of 62
Community satisfaction with leisure centres	7.91	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 7.71

#### **2.3 Facilitate community engagement in planning and decision-making.**

Community satisfaction with Council's community engagement in planning and decision-making	59	Source: 2015 Local Government Victoria Customer Satisfaction Survey  Result indicated above State average of 56 and interface councils average of 57
Community satisfaction with information provided about Council services	7.46	Average rating out of 10 Melton Resident Survey Metropolis 2014 Above average Melbourne metro rating 6.84

## 2.4 Invest into a skilled, motivated, aligned and performing workforce.

Staff turnover rates	8.84%	Sum of EFT (equivalent full time) as at 1 July 14 plus payroll new employees minus terminations
Percentage of employees who have achieved a satisfactory or above level in their performance plans	98%	As recorded in the PES staff (performance evaluation system)
Number of lost time injuries	15	As recorded in the Injury Management System
Number of lost time hours	359	As recorded in the Injury Management System

## 2.5 Advocate in the best interests of our community and region.

Community satisfaction with the City's advocacy and community representation on key local issues	58%	Source: 2015 Local Government Victoria Customer Satisfaction Survey  Above State average of 55 and interface councils' average of 56
Ratio of Council annual budget funded by external sources	20.5%	External government grants as a percentage of total cash revenue

## 2.6 Ensure timely compliance with statutory and regulatory obligations.

Level of compliance with procurement process	100%	Civic Authority System
Emergency Management Audit Rating	Compliant	The State Emergency Service (SES) audited the Municipal Emergency Management Plan (MEMP)
Number of registered animals per household	0.35%	Animal registrations/number of rated residential properties

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/2015 budget.

Major Initiatives	Progress	Comments
Migration of Non Business System Servers into a Cloud Hosting Environment	Completed	Completed year 1 activities associated with the Cloud Computing Implementation Project  Cloud Services Contract Council Report adopted at Council meeting on 23 June 2015
Increase the Graffiti Response Team to provide a higher level of service	Completed	Procurement of plant and equipment completed Team Leader commenced 16 March 2015 Crew members commenced on 25 May 2015 Service fully operational as of 30 June 2015
Litter Education and Enforcement Program	Completed	<i>Dumping is Damaging</i> campaign developed and delivered  <i>Litter/dumping Hot Spot</i> weekend covert surveillance programs established and delivered

The following statement provides information in relation to the services funded in the 2014/2015 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost
		Actual Budget Variance \$000
Compliance	Compliance services administer general local laws enforcement, planning enforcement, building services, environmental health (food safety and immunisation programs), animal management, parking enforcement, schools crossing.	\$1,634
	The business area within Council includes the Environmental Health, Local Laws Building Services and Planning Enforcement service teams.	<u>\$1,857</u> \$223
Customer Engagement	Customer Engagement provides a range of services and functions for both the wider community and internal Council departments. The service is primarily concerned with developing the reputation and image of Council and the municipality, and the unit aims to provide exceptional customer service in relation to civic functions, public administration, marketing and promotion, and community events and experiences.	\$3,772
	This service includes the Governance, Media & Communications, Customer Services and Events & Culture teams.	<u>\$3,970</u> \$198
Finance	The provision of financial based services to both internal and external customers including the management of Council's finances, procurement, fleet management, internal audit program and contracting of services, raising and collection of rates and charges and property valuation.	-\$118,232
	This service includes the Procurement, Management Accounting, Accounting Services and Rates teams.	<u>-121,494</u> -\$3,262
Information Services	Information services provides, supports and maintains reliable and cost-effective information management, communications and computing systems, facilities and infrastructure that enables Council to deliver services in a smart, productive and efficient way.	\$4,149
	This business area includes the Information Management and IT Operations teams.	<u>\$4,572</u> \$423
Operations	The Operations business area provides services in the maintenance of parks, open spaces, drainage and roads, and waste management and cleansing services that include kerbside waste, recycling and organics collection, street and footpath sweeping services and the operation of the Melton Recycling Facility.	\$34,207
	The service supports delivery of waste minimisation education and enforcement programs. Operations are also responsible for emergency management and for recovery after disasters such as fire, pandemics and floods. This includes Business Continuity planning. This business unit includes the Emergency Management, Civil Operations, Waste Management and Parks teams.	<u>\$37,594</u> \$3,387
Organisational Development	Organisational Development develops and implements strategies, policies and procedures through the provision of human resource, learning and development, and industrial relations services. The service supports the health and wellbeing of staff through injury management, occupational health and safety, risk management, and health and wellbeing initiatives.	\$1,763
	The service area includes the Risk Management/OHS, Human Resources (payroll, recruitment, human resource advice), Injury Management teams and Learning and Development teams.	<u>\$2,024</u> \$261
Executive and Councillors	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support.	\$2,668
		<u>\$2,728</u> \$60
Legal Services	Legal services provide a range of internal legal advice to Council in the areas of Local Government, planning, environmental, industrial law, privacy, administrative, property law and processing freedom of information requests.	\$389
		<u>\$1,253</u> \$865

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

Service/Indicator/Measure	Result	Comments/ Material Variations
<b>Governance</b>		
<b>Transparency</b> <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	25.95%	
<b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i> Community satisfaction with how Council has performed on community consultation and engagement	59%	
<b>Attendance</b> <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	89.01%	
<b>Service cost</b> <i>Cost of governance</i> (Direct cost of the governance service/number of Councillors elected at the last Council general election)	\$53,421.71	
<b>Satisfaction</b> <i>Satisfaction with Council decisions</i> (Community satisfaction with how Council has performed in making decisions in the interest of the community)	60%	
<b>Animal Management</b>		
<b>Service standard</b> <i>Animals reclaimed</i> (Number of animals reclaimed/number of animals collected) x 100	46.9%	
<b>Service cost</b> <i>Cost of animal management service</i> (Direct cost of the animal management service/ number of registered animals)	\$11.22	
<b>Health and safety</b> <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	18	Total of 14 convictions and four diversions. Diversions are Court directed outcomes without convictions resulting from successful prosecutions.

<b>Food Safety</b>	
<b>Timeliness</b>	0.20
<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)	
<b>Service standard</b>	85.07%
<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 Food Act) x 100	
<b>Service cost</b>	\$703.79
<i>Cost of food safety service</i>	
(Direct cost of the food safety service/number of food premises registered or notified in accordance with the Food Act)	
<b>Health and safety</b>	93.01%
<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	
<b>Waste Collection</b>	
<b>Satisfaction</b>	129.72
<i>Kerbside bin collection requests</i>	
(Number of kerbside garbage and recycling bin collection requests/ number of kerbside bin collection households) x 1000	
<b>Service standard</b>	5.22
<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	
<b>Service cost</b>	\$102.19
<i>Cost of kerbside garbage bin collection service</i>	
(Direct cost of the kerbside garbage bin collection service/ number of kerbside garbage collection bins)	
<b>Service cost</b>	\$32.60
<i>Cost of kerbside recyclables collection service</i>	
(Direct cost of the kerbside recyclables bin collection service/ number of kerbside recyclables collection bins)	
<b>Waste diversion</b>	42.93%
<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	

## Theme 3: Diverse, confident and inclusive communities

**98%** Client satisfaction with aged care services\*

**8.06/10**

Community satisfaction with children's services\*  
(Melbourne Metro average rating 7.8)

**22/27**

Items from the 2014/2015 Annual Action Plan achieved

**100%** Client satisfaction with disability support services\*\*

**93.7%** Residents feel they are part of the community\*

**930** Attendees at indigenous and multicultural events

\*Community satisfaction results from the Melton Resident Survey, Metropolis, 2014

\*\*Client survey

## Theme 3: 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.

#### Objective 3.1 Provide an accessible range of services for all including children, young people, families and older adults.

Strategic Indicator/measure	Result	Comments
Client satisfaction with aged care services	98.17	Client survey
Community satisfaction with children's services	8.06	Rating out of 10 Melton Resident Survey Metropolis 2014 Melbourne Metro average rating 7.8
Client satisfaction with disability support services	100%	Client survey
Client satisfaction with family support services	80%	Satisfaction survey on Integrated Family Services clients
Client satisfaction with youth services	80%	Client survey

#### 3.2 Build resilient people and communities through opportunities to participate in community life.

Volunteer rates	71.4%	Melton Resident Survey Metropolis 2014
Residents feel they are part of the community	93.7%	Melton Resident Survey Metropolis 2014

#### 3.3 Develop an environment that supports imagination, creative expression and engagement in cultural experiences.

Percentage of residents who have participated in local community festivals over past 12 months	32.8%	Melton Resident Survey Metropolis 2014
Percentage of residents who have participated in local arts/cultural events over past 12 months	32.3%	Melton Resident Survey Metropolis 2014

#### 3.4 Provide lifelong learning opportunities to build social connections and self development.

Client satisfaction with library services	91%	Library survey
Percentage of eligible population who are library members	34%	Library membership/population data

#### 3.5 Build an inclusive community that embraces and values cultural diversity and celebrates our collective heritage.

Attendance levels at indigenous and multicultural events and activities	930	Harmony Day: 600 Refugee Week: 80 Reconciliation Week: 100 NAIDOC Week: 150
---	-----	--

### 3.6 Create a safer community through building a sense of belonging and community pride.

Percentage of residents who feel very safe		Average rating out of 10
During the day	8.45	Melton Resident Survey Metropolis 2014
In and around local shopping area	8.1	
In and around the Woodgrove Shopping Centre	8.05	
In and around the High Street, Melton	7.77	
Travelling on/waiting for public transport	7.45	
At night	6.79	
Number of law enforcement officers	101	Melton township has five protective services officers (PSO) and 66 police officers. Caroline Springs township has 30 police officers

### 3.7 Ensure our established and new communities are well connected and supported.

Percentages of survey respondents who feel part of the local community	93.7%	Melton Resident Survey Metropolis 2014
--	-------	--

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/2015 Budget.

Major Initiatives	Progress	Comments
Construct a BMX Track at MacPherson Park, Melton	Postponed	Council was unable to construct the track to standard required with the budget available. The BMX club that requested this facility through the budget process has relocated to Moorabool Shire
Melton Bowling Club extension	In progress	Project due for completion by 1 October 2015



The following statement provides information in relation to the services funded in the 2014/2015 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Children's Services	<p>The Children's Services business unit is responsible for providing services for children 0–12 years and their families. Programs to the community include Maternal and Child Health, child care programs, kindergarten enrolment, playgroups and early intervention. Children's Services are also responsible for facilitating Council's Early Years Partnership committee, the Best Start program and the delivery of the Melton Municipal Early Years Plan.</p> <p>This business area includes the Early Years Partnerships, Maternal and Child Health and Early Childhood teams.</p>	<p>\$3,184 <u>\$3,682</u> \$498</p>
Community Care and Inclusion	<p>The Community Care and Inclusion service provides a range of respite, centre based, Home and Community Care services for the aged, disabled and their carers including home delivered and centre based meals, personal care, transport, dementia care, home maintenance, housing support, senior citizen clubs, respite care and volunteer coordination.</p> <p>This business area includes the Home Based Services, Community Participation and Engagement and Ageing well and Diversity teams.</p>	<p>\$2,468 <u>\$2,736</u> \$268</p>
Family, Youth and Housing	<p>The Family, Youth and Housing services of Council provide a range of programs and support services for families and young people including counselling, family financial assistance, parenting programs, youth facilities, programs, events, outreach and personal support, and housing support to residents experiencing homelessness.</p> <p>This business area includes the Youth Services, Family Services and Housing Services teams.</p>	<p>\$2,160 <u>\$2,205</u> \$45</p>
Learning Communities	<p>Learning Communities provides public library services at two locations and provides a customer focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.</p> <p>This business area includes the Library Collections, Lifelong Learning, Melton Library and Caroline Springs Library teams.</p>	<p>\$1,907 <u>\$2,152</u> \$245</p>

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

<b>Service/Indicator/Measure</b>	<b>Result</b>	<b>Comments/ Material Variations</b>
<b>Home and Community Care (HACC)</b>		
<b>Service standard</b> <i>Compliance with Community Care Common Standards</i> (Number of Community Care Common Standards expected outcomes met/ number of expected outcomes under the Community Care Common Standards) x 100	100%	
<b>Participation</b> <i>Participation in HACC service</i> (Number of people that received a HACC service/municipal target population for HACC services) x 100	13.89%	
<b>Participation</b> <i>Participation in HACC service by culturally and linguistically diverse (CALD) people</i> (Number of CALD people who receive a HACC service/municipal target population in relation to CALD people for HACC services) x 100	3.74%	
<b>Libraries</b>		
<b>Utilisation</b> <i>Library collection usage</i> (Number of library collection item loans/number of library collection items)	4.07	
<b>Resource standard</b> <i>Standard of library collection</i> (Number of library collection items purchased in the last five years/ number of library collection items) x 100	59.96%	
<b>Service cost</b> <i>Cost of library service</i> (Direct cost of the library service/number of visits)	\$4.11	
<b>Participation</b> <i>Active library members</i> (Number of active library members/municipal population) x 100	16.53%	

<b>Maternal and Child Health (MCH)</b>	
<b>Satisfaction</b>	100.36%
<i>Participation in first MCH home visit</i>	
(Number of first MCH home visits/number of birth notifications received) x 100	
<b>Service standard</b>	95.39%
<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	
<b>Participation in the MCH service</b>	72.68%
(Number of children who attend the MCH service at least once (in the year)/ number of children enrolled in the MCH service) x 100	
<b>Participation</b>	61.81%
<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	

## Theme 4: Community health and wellbeing

**91.6%**

Community satisfaction with the level of access to local health services\*

**77%**

Community satisfaction with support services for disadvantaged residents\*

**17/18**

Items from the 2014/2015 Annual Action Plan achieved

**11**

Health inspections of leisure facilities

**3%**

Increase in walking and cycling trails

\*Community satisfaction results from the Melton Resident Survey, Metropolis, 2014

## Theme 4: 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.

#### Objective 4.1 Collaborate for an accessible, integrated and aligned health service system.

Strategic Indicator/measure	Result	Comments
Community satisfaction with the level of access to local health services	91.6%	Respondents who rated medium to high satisfaction with access to adequate health services Melton Resident Survey Metropolis 2014
Ratio of general practitioners per capita	0.94 per: 1000 people	Data sourced from Department of Health Modelling, GIS and Planning Products Unit State average is 1.14: 1000 people

#### 4.2 Address health inequalities in our community.

Percentage of persons reporting high/very high degrees of psychological stress	20.7%	Source: Victorian Population Health Survey 2011/2012 Melton had a significant increase from the last 2008 survey, which reported 15% Victorian average is 11.1. In 2008 the rate was 11.4 – note the decrease for Victoria and a significant increase for Melton
Community satisfaction with support services for disadvantaged residents (e.g. assistance for disadvantaged and minority groups)	77%	Melton Resident Survey Metropolis 2014

#### 4.3 Encourage the community to be physically active and healthy.

Increase in length of dedicated walk and cycle trails in the City	3%	Sourced from Council's Global Information System (GIS)
---	----	--

#### 4.4 Minimise social harms caused by gambling, tobacco, alcohol and other drugs.

Percentage of gaming machines per capita	5.2: 1000 adults	There are 493 poker machines in the City of Melton (Victorian Commission for Gambling and Liquor Regulation)
Infringements in sale of tobacco to minors	Nil	

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/2015 Budget.


Initiatives	Progress	Comments
Refurbishment of the DJ Cunningham Centre	Completed	Tenants moved in 1 January 2015
Construction of the Bridge Road Community Centre	Completed	Opened for business in January 2015
Construction of Bridge Road Athletics Centre and the Arnolds Creek Recreation Reserve Community Pavilion	In progress	Athletics facilities and hockey field works commenced in March 2015 and will be completed in June 2016 Pavilion works commenced in July 2015 and is due to be completed in January 2016

The following statement provides information in relation to the services funded in the 2014–2015 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Community Planning	Community Planning Services plans, advocates and supports a more inclusive, engaged, sustainable and healthier community. This is delivered through the provision of strategic planning services and program delivery in the functions of Community Development, Corporate Policy and Planning, Neighbourhood Engagement, Social and Health Planning, and community facility planning and management.  This business area includes the Corporate Policy and Planning, Social Planning and Wellbeing, Community Capacity and Neighbourhood Participation teams.	\$2,501 <u>\$3,248</u> \$747
Leisure and Facilities	The Leisure and Facilities service is responsible for the management and use of sporting grounds and leisure infrastructure.  The service area provides advice to Council on local leisure needs and assists in marketing activities to increase the levels of physical activity and access to recreation pursuits. It maintains aquatic facilities management and promotion and prepares long-term maintenance management programs for Council's property assets to optimise their strategic value and service potential.  This business area includes the Open Space Planning, Property Services, Leisure Centres and Recreation teams.	\$1,063 <u>\$1,432</u> \$369

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

<b>Service/Indicator/Measure</b>	<b>Result</b>	<b>Comments/ Material Variations</b>
<b>Aquatic Facilities</b>		
<b>Service standard</b> <i>Health inspections of aquatic facilities</i> (Number of authorised officer inspections of Council aquatic facilities/ number of Council aquatic facilities)	11	
<b>Health and Safety</b> <i>Reportable safety incidents at aquatic facilities</i> (Number of WorkSafe reportable aquatic facility safety incidents)	Nil	
<b>Service cost</b> <i>Cost of indoor aquatic facilities</i> (Direct cost of indoor aquatic facilities less income received/number of visits to indoor aquatic facilities)	\$0.82	
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/municipal population)	2.17	



## Governance, Management and Statutory Information

**11** Ordinary Council meetings

**2** Special Council meetings

**\$278,986.88**  
spent on Councillor allowances

**\$358,583**  
spent on Council expenses

**6** internal audits completed

**7** members on the Internal  
Audit Committee

**24/24** governance and  
management  
assessments achieved





## Governance

*The Local Government Act 1989* sets out the primary purposes and objectives of Melton City Council and defines its functions and powers. Council is a public statutory body incorporated under the Act. Its role is to govern 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 the organisation's resources
- advocates local community interests to other communities and governments
- is a responsible partner in government, taking the needs of other communities into account
- fosters community cohesion and encourages participation in civic life.

### Councillor vacancies and appointments

Michael Matalewski was officially sworn in as the new Councillor for Coburn Ward at an Ordinary Meeting of Council on Tuesday 26 August 2014, filling the extraordinary vacancy created by the resignation of Cr Broden Borg in April 2014.

As permitted under legislation, Cr Matalewski was declared successful following a count-back of Coburn Ward votes from the 2012 Council elections conducted by the Victorian Electoral Commission on Wednesday 20 August 2014. All eligible Coburn Ward candidates from the election were included in the count-back.

Cr Matalewski resigned from Melton City Council effective 17 February 2015.

Myles Bentley was officially sworn in as the new Councillor for Coburn Ward at the Melton Council Chambers on 1 April 2015, filling the second extraordinary vacancy for the year.

As permitted under legislation, Cr Bentley was declared successful following a count-back of Coburn Ward votes from the 2012 Council Elections conducted by the Victorian Electoral Commission on Tuesday 31 March 2015. All eligible Coburn Ward candidates from the general election were included in the count-back.

## Councillor's Code of Conduct

All Victorian councils are required to adopt a Councillor Code of Conduct, which includes prescribed principles of Councillor conduct. The Code is a commitment to legislative compliance, ethical decision-making and high standards of personal conduct by Councillors.

The Code includes sections on courtesy, integrity, responsibility, stewardship, discretion, decision-making, acceptance of gifts, conflicts of interest and functional separation.

In carrying out their role, Councillors will:

- act with integrity
- exercise their responsibilities impartially in the interests of the local community
- not make improper use of their position to advantage or disadvantage any person.

In addition, in performing the role, Councillors will:

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

The Code of Conduct is available from Council's website [melton.vic.gov.au](http://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 mechanic 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.

## 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 of Council, a vote amongst 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 the minutes of any meeting, including audio recordings.

Council meetings were held on these dates in 2014/2015:

- 22 July 2014 (Ordinary Meeting of Council)
- 26 August 2014 (Ordinary Meeting of Council)
- 23 September 2014 (Ordinary Meeting of Council)
- 21 October 2014 (Ordinary Meeting of Council)
- 28 October 2014 (Statutory Meeting)
- 18 November 2014 (Ordinary Meeting of Council)
- 16 December 2014 (Ordinary Meeting of Council)
- 3 February 2015 (Ordinary Meeting of Council)
- 10 March 2015 (Ordinary Meeting of Council)
- 21 April 2015 (Ordinary Meeting of Council)
- 26 May 2015 (Ordinary Meeting of Council)
- 23 June 2015 (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 2012 election, confirming allowances at the Special Meeting of Council 1 November 2012.

### Mayor and Councillors Allowances for 2014/2015

Councillor	Allowance \$
Cr Sophie Ramsey (Mayor 28 October 2014 – current)	81,316.22
Cr Nola Dunn	30,635.77
Cr Myles Bentley	10,293.72
Cr Broden Borg (Resigned 20 August 2014)	1,930.61
Cr Lara Carli	30,635.77
Cr Renata Cugliari	30,635.77
Cr Kathy Majdlik	30,635.77
Cr Michael Matalowski (26 August 2014 – resigned 17 February 2015)	15,252.24
Cr Bob Turner (Mayor 28 October 2013 – 28 October 2014)	47,174.65

## Councillor Expenses

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

To ensure that Council policy in relation to the appropriate provision of resources and support provided to Councillors meet contemporary standards of probity and community expectations, the Policy Review Panel endorsed a revised and updated Resource Support and Expenses of Councillors and Special Committee Members Policy in September 2014, which was approved at the 21 October 2014 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 etc. 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 Charter 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 the following:

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

## Mayor and Councillors expenses for 2014/2015

	Cr Sophie Ramsey	Cr Nola Dunn	Cr Myles Bentley	Cr Broden Borg
1. Conferences, Seminars and Training	\$5,659	\$8,127	\$-	\$-
2. Travel Local	\$-	\$-	\$-	\$-
3. Communication	\$1,879	\$861	\$206	\$140
4. Functions External to Civic Centre	\$645	\$220	\$60	\$-
5. Carer Expenses	\$-	\$-	\$-	\$-
6. Councillor Allowance	\$81,316	\$30,636	\$10,294	\$1,931
<b>Total</b>	<b>\$89,498</b>	<b>\$39,844</b>	<b>\$10,560</b>	<b>\$2,071</b>

## Members of the Audit Committee

The 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 six times during the year, and reviewed the 2013/2014 Statement of Accounts, which included providing comments on the external auditors' management letter.

## Members of the Audit Committee and Meetings attended during 2014/2015

Audit Committee Member	Position	Meetings Attended
Alan Hall	Chairperson Independent External	6
Mark Holloway	Independent External (to September 2014)	1
Kathy Majdlik	Councillor	3
Stan Naylor	Independent External (from January 2015)	3
Sophie Ramsey	Councillor (from November 2014)	4
Adam Roberts	Independent External	6
Bob Turner	Councillor (to November 2014)	2

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

## Internal Audit

The Internal Audit function for 2014/2015 was provided under contract by auditors Crowe Horwath.

During 2014/2015, the following audits were undertaken by Council's internal auditors:

- Review of Maternal and Child Health Services
- Review of Fraud Management and Prevention
- Review of Financial Management of Developer Contributions
- Review of Management of Council Properties Leased & Licenced to Third Parties
- Review of Data Analytics (Procurement and Payments)
- Review of Follow-Up of High Risk Matters Raised in Prior Internal Audit Reports

## External Audit

The Victorian Auditor-General externally audits Council each year. For the 2014/2015 year a Victorian Auditor-General's representative conducted the annual external audit of Council's Financial Statements and Performance Statement. The external auditors attended the May and August Audit Committee meetings to present the Annual Audit Plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

## Risk Management

Council began streamlining its approach to risk management during 2014/2015, in an effort to drive business improvements.

In 2014/2015, Council conducted leadership training; modified its Business Planning System; simplified the data on its Risk Register; removed a large number of obsolete risks; and established a new Risk Management Committee.

Cr Lara Carli	Cr Renata Cugliari	Cr Kathy Majdlik	Cr Michael Matalowski	Cr Bob Turner	Total
\$-	\$-	\$13,707	\$-	\$11,067	\$38,560
\$-	\$-	\$7,806	\$-	\$180	\$7,987
\$1,512	\$2,500	\$1,876	\$323	\$2,238	\$11,535
\$614	\$549	\$289	\$-	\$1,123	\$3,500
\$-	\$-	\$18,492	\$-	\$-	\$18,492
\$30,636	\$30,636	\$30,636	\$15,252	\$47,175	\$278,512
\$32,762	\$33,685	\$72,806	\$15,575	\$61,783	\$358,583

# Governance and Management Checklist

Governance and Management Items		Assessment
1	<b>Community Engagement Policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	Date of operation of policy: 23 May 2015 ✓
2	<b>Community Engagement Guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 23 May 2015 ✓
3	<b>Strategic Resource Plan</b> (plan under section 126 of the <i>Local Government Act 1989</i> outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the <i>Local Government Act 1989</i> Date of adoption: 23 May 2015 ✓
4	<b>Annual Budget</b> (plan under section 130 of the <i>Local Government Act 1989</i> 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 <i>Local Government Act 1989</i> Date of adoption: 23 May 2015 ✓
5	<b>Asset Management Plans</b> (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 Space Asset Management Plan; Drainage Asset Management Plan Date of operation of all current plans: 3 February 2015 ✓
6	<b>Rating Strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 23 June 2015 ✓
7	<b>Risk Policy</b> (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	<b>Fraud Policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 20 December 2010 ✓
9	<b>Municipal Emergency Management Plan</b> (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 <i>Emergency Management Act 1986</i> Date of preparation: 20 July 2014 ✓
10	<b>Procurement Policy</b> (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 <i>Local Government Act 1989</i> Date of approval: 16 November 2014 ✓
11	<b>Business Continuity Plan</b> (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: 9 December 2014 ✓
12	<b>Disaster Recovery Plan</b> (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	<b>Risk Management Framework</b> (framework outlining Council's approach to managing risks to Council's operations)	Date of operation of current framework: 9 July 2014 ✓
14	<b>Audit Committee</b> (Advisory Committee of Council under section 139 of the <i>Local Government Act 1989</i> 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 <i>Local Government Act 1989</i> . Date of establishment: 2 February 1998 ✓

Governance and Management Items	Assessment
<b>15 Internal audit</b> (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 three years Date of engagement of current provider: 23 July 2012 <span style="float: right;">✓</span>
<b>16 Performance Reporting Framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i> )	Council has incorporated the Local Government Performance Reporting Framework Performance Indicators into the Council Budget which was adopted by Council 23 May 2015 <span style="float: right;">✓</span>
<b>17 Council Plan reporting</b> (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: 23 September 2014, 18 November 2014, 10 March 2015, 26 May 2015  The Council Plan Strategic Measures will be reported in Council's Annual Report due to the Minister by 30 September 2015 <span style="float: right;">✓</span>
<b>18 Financial reporting</b> (quarterly statements to Council under section 138 of the <i>Local Government Act 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138 (1) of the <i>Local Government Act 1989</i>  Date statements presented: 23 September 2014, 18 November 2014, 10 March 2015, 26 May 2015 <span style="float: right;">✓</span>
<b>19 Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Strategic, corporate and operation risks are reported to the Risk Management Committee. The Committee was reconstituted in February 2015 and met on 24 February and 15 May 2015  The Strategic Risk Management Report to Audit Committee presented to Council 29 April 2015 <span style="float: right;">✓</span>
<b>20 Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the <i>Local Government Act 1989</i> )	Council participated in the pilot reporting of the Local Government Performance Reporting Framework Performance reports during the year <span style="float: right;">✓</span>
<b>21 Annual report</b> (annual report under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> 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 <i>Local Government Act 1989</i>  Date report presented to the Minister: 21 October 2014 <span style="float: right;">✓</span>
<b>22 Councillor Code of Conduct</b> (Code under section 76C of the <i>Local Government Act 1989</i> setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the <i>Local Government Act 1989</i>  Date reviewed: 25 June 2013 <span style="float: right;">✓</span>
<b>23 Delegations</b> (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 <i>Local Government Act 1989</i>  Date of review: 2 July 2014 <span style="float: right;">✓</span>
<b>24 Meeting procedures</b> (a local law governing the conduct of meetings of Council and Special Committees)	Meeting procedures local law made in accordance with section 91(1) of the <i>Local Government Act 1989</i>  Date local law made: 2 July 2013 <span style="float: right;">✓</span>

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



**Kelvin Tori**  
Chief Executive Officer

Dated: 31 August 2015



**Cr Sophie Ramsey**  
Mayor

Dated: 31 August 2015



# 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 Part 5 of the *Local Government (General) Regulations 2004*. 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 the website, [melton.vic.gov.au](http://melton.vic.gov.au):

- Mayor and Councillors' allowances
- Senior officers' total salary packages for the current financial year and the previous year
- 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
- Names of Council Officers who were required to submit a return of interests during the financial year and the dates the returns were submitted
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas 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
- A list of all Special Committees established by Council and the purpose for which each committee was established
- A list of all Special Committees established by the Council that were abolished or ceased to function during the financial year
- 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
- Submissions received in accordance with Section 223 of the *Local Government Act 1989* during the previous 12 months

- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- A register of authorised officers
- A list of donations and grants made by Council during the financial year
- A list of the names of organisations of which Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council
- A list of contracts valued at \$150,000 or more that Council entered into during the financial year without first engaging in a competitive process.

## 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.



The following Best Value activities were undertaken during 2014/2015:

- Developed and implemented a Project Management Framework for capital projects
- Reviewed Council's Risk Register and implemented a Risk Management Committee
- Reviewed ergonomics and occupational violence through OHS Risk Working Groups
- Aligned pay increases with the Performance Based Cycle
- Reviewed Finance policies and procedures, including Fringe Benefit Tax treatment of employees' superannuation contribution. This review will reduce the amount of FBT paid by Council in future by about \$100,000
- Changed banking service provider. When implemented fully, this will save Council in staff time and processing by around \$100,000 in the contract period
- Reviewed mail processes by comparing the current incoming mail and registration systems with an enhanced technology solution and an outsourced model. The internal service with technology enhancement provided best value for money.

## Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

## Carers Recognition

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

Council has promoted the principles of the *Carers Recognition Act 2012* 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 Carer Support Groups.

Council has taken 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 Aged and Disability Services
- 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.

## Disability Action Plan

The following actions from the Disability Action Plan 2013–2017 were implemented in 2014/2015:

- Reviewed and realigned overnight respite options for people with disability, attracting new service opportunities within the municipality
- Utilised the expertise of the Melton Disability Advisory Committee to support planning and decision-making
- Successfully advocated to state and federal governments to attract specialist health services, programs and funding
- Improved access to information that supported informed decision-making and increased awareness of services and entitlements by delivering the CARE Melton Expo and producing *A Guide to Disability and Aged Services in the City of Melton 2014*
- Provided people with disabilities opportunities to actively participate, socialise and have fun in the community, improving their health and wellbeing
- Delivered a number of community arts celebrations that acknowledged the skills and participation of people with disabilities
- Worked with service providers and the local business sector to create pathways and support transition for people of all abilities into employment and further education
- Consulted with people with disabilities, their families, carers and service providers to include their needs in the Melton City Council Transport Action Plan – Moving Melton
- The Melton Go program was established for children and young people with a disability
- The Family Carers Group was introduced for families caring for a child with a disability aged 0–12 years.

## Domestic Animal Management Plan

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

Key achievements in 2014/2015 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.
- Website updates to include information on cat enclosures to minimise cat nuisances.
- Educational material developed about cat and dog nuisance issues, which was distributed to cat and dog owners with their Animal Registration Renewal Notices in March 2015. Additional booklets were made available to the public at Council Offices.
- Dogs on leash policies were reviewed for all public spaces within the municipality.
- In April and May 2015, 16 restricted and dangerous dog inspections were completed on premises.
- All 14 domestic animal businesses operating in Melton were inspected and complied with the *Domestic Animal Act*.

### Fast facts:

- 87 reported dog attacks (down by 20 reports from 2013/2014)
- Four declared dangerous dogs, 13 declared menacing dogs and seven restricted breed dogs
- The cost of dog registration rose from \$100 in 2013/2014 to \$110 in 2014/2015
- 17,689 animal registrations, an increase of 125 from 2013/2014

## Food Act Ministerial Directions

Council received no Ministerial directions during the financial year.

## 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](http://foi.vic.gov.au) and on Council's website.

In 2014/2015, Melton City Council received 31 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	2
Access granted in part	17
Access denied in full	2
<b>Other:</b>	
No documents	0
Request withdrawn	1
Request closed/did not proceed (no response from applicant)	4
Request not yet finalised as at 30 June 2015	2
Request outside the Act	3
Request transferred to another agency	0
<b>Total Number of Requests</b>	<b>31</b>

## Protected Disclosure Procedures

The *Protected Disclosure Act 2012* aims to ensure 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 Council's website.

During 2014/2015, 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*, Council reports that no Ministerial directions were received during 2014/2015.

# Victorian Local Government Indicators

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

The following table presents the results of the VLGIs for the 2014/2015 year.

Victorian Local Government Indicators				
Indicators		Calculation	2014/2015	2013/2014
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	\$1,743	\$1,653
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	\$1,585	\$1,574
3	Average liabilities per assessment	Total liabilities/number of assessments in the adopted budget	\$1,189	\$1,062
4	Operating result per assessment	Net surplus/number of assessments in the adopted budget	\$1,024	\$1,281
5	Average operating expenditure per assessment	Operating expenditure/number of assessments in adopted budget	\$2,654	\$2,622
6	Community satisfaction rating for overall performance generally of Council	Result from the annual Local Government Community Satisfaction Survey*	63	59
7	Average capital expenditure per assessment	Capital expenditure/number of assessments in the adopted budget	\$879	\$576
8	Renewal gap	Capital renewal/average annual asset consumption	1.11%	0.44%
9	Renewal and maintenance gap	Capital renewal and maintenance/average annual asset consumption planned maintenance	0.28%	0.54%
10	Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the annual Local Government Community Satisfaction Survey*	58	53
11	Community satisfaction rating for Council's engagement in decision-making on key local issues	Result from the annual Local Government Community Satisfaction Survey*	60	57

\*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.

# Performance Statement



## For the year ended 30 June 2015

### 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 24 June 2014 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.

## 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*.



**Thurairajah Shanmugapalan CPA**  
**Principal Accounting Officer**


Dated: September 2015

In our opinion, the accompanying Performance Statement of the Melton City Council for the year ended 30 June 2015 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: 15 September 2015



**Cr Nola Dunn**  
**Deputy Mayor**

Dated: 15 September 2015



**Kelvin Tori**  
**Chief Executive Officer**

Dated: 15 September 2015



Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## Independent Auditor's Report

To the Councillors, Melton City Council

### The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Melton City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

### The Councillors' Responsibility for the Performance Statement

The Councillors of the Melton City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Independence

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

### Auditor's Opinion

In my opinion, the performance statement of the Melton City Council in respect of the 30 June 2015 financial year presents fairly, in all material aspects, in accordance with the *Local Government Act 1989*.

A handwritten signature in black ink, appearing to read "John Doyle", is written over a faint, larger version of the signature. The signature is fluid and cursive.

For John Doyle M.Acc FCA  
Auditor-General

MELBOURNE  
16 September 2015

## 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 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.

## Sustainable Capacity Indicators

		Indicator/measure	Results 2015	Comments
<b>Population</b>				
C1	68	Expenses per head of municipal population (Total expenses/municipal population)	\$969.62	
C2	69	Infrastructure per head of municipal population (Value of infrastructure/municipal population)	\$7,485.40	
C3	70	Population density per length of road (Municipal population/kilometres of local roads)	129.30	
<b>Own-source revenue</b>				
C4	66	Own-source revenue per head of municipal population (Own-source revenue/municipal population)	\$756.07	
<b>Recurrent grants</b>				
C5	67	Recurrent grants per head of municipal population (Recurrent grants/municipal population)	\$232.82	
<b>Disadvantage</b>				
C6	71	Relative Socio-Economic Disadvantage (Index of Relative Socio-Economic Disadvantage by decile)	1,002.10	

## Performance Statement

For the year ended 30 June 2015

### Service Performance Indicators

Service/indicator/measure		Results 2015	Comments
<b>Aquatic Facilities Utilisation</b>			
AF6	33 <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/municipal population)	2.17	
<b>Animal Management Health and safety</b>			
AM4	37 <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	18.00	14 convictions, four diversions. Diversions are Court directed outcomes without convictions resulting from successful prosecutions.
<b>Food Safety Health and safety</b>			
FS4	41 <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	93.01%	
<b>Governance Satisfaction</b>			
G5	5 <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)	60.00	
<b>Home and Community Care (HACC) Participation</b>			
HC6	47 <i>Participation in HACC service</i> (Number of people that received a HACC service/ municipal target population for HACC services) x 100	13.89%	
<b>Participation</b>			
HC7	48 <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) x 100	3.74%	HACC services are provided to all eligible residents. There are no waiting lists.



Service/indicator/measure		Results 2015	Comments
<b>Libraries Participation</b>			
LB4	22 <i>Active library members</i> (Number of active library members/municipal population) x 100	<b>16.53%</b>	
<b>Maternal and Child Health (MCH) Participation</b>			
MC4	52 <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	<b>72.68%</b>	
<b>Participation</b>			
MC5	53 <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	<b>61.81%</b>	
<b>Roads Satisfaction</b>			
R5	18 <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)	<b>62.00</b>	
<b>Statutory Planning Decision making</b>			
SP4	9 <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	<b>50.00%</b>	
<b>Waste Collection Waste diversion</b>			
WC5	27 <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	<b>42.93%</b>	

## Performance Statement

For the year ended 30 June 2015

### Financial Performance Indicators

			Results 2015	2016	Forecasts 2017 2018 2019		
<b>Efficiency</b>							
<b>Revenue level</b>							
E1	64	Average residential rate per residential property assessment (Residential rate revenue/number of residential property assessments)	\$1,566.11	\$1,777.56	\$1,812.06	\$1,847.26	\$1,883.13
<b>Expenditure level</b>							
E2	63	Expenses per property assessment (Total expenses/number of property assessments)	\$2.60	\$2.52	\$2.55	\$2.58	\$2.61
<b>Workforce turnover</b>							
E3	65	Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations/average number of permanent staff for the financial year) x 100	13.00%	2.04%	2.40%	2.92%	0.00%
<b>Liquidity</b>							
<b>Working Capital</b>							
L1	55	Current assets compared to current liabilities (Current assets/current liabilities) x 100	197.27%	190.82%	214.12%	214.13%	159.10%
<b>Unrestricted cash</b>							
L2	56	Unrestricted cash compared to current liabilities (Unrestricted cash/current liabilities) x 100	11.35%	22.28%	38.70%	25.40%	4.04%
<b>Obligations</b>							
<b>Asset renewal</b>							
O1	60	Asset renewal compared to depreciation (Asset renewal expense/asset depreciation) x 100	23.47%	26.26%	47.58%	35.48%	34.55%

			<b>Results</b>		<b>Forecasts</b>		
			<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Loans and borrowings</b>							
O2	57	<i>Loans and borrowings compared to rates</i> (Interest bearing loans and borrowings/rate revenue) x 100	<b>33.16%</b>	31.26%	28.47%	22.82%	18.23%
O3	58	<i>Loans and borrowings repayments compared to rates</i> (Interest and principal repayments on interest bearing loans and borrowings/rate revenue) x 100	<b>12.98%</b>	9.39%	8.37%	4.85%	3.85%
<b>Indebtedness</b>							
O4	59	<i>Non-current liabilities compared to own source revenue</i> (Non-current liabilities/own source revenue) x 100	<b>26.61%</b>	25.23%	25.21%	21.10%	16.81%
<b>Operating position</b> <b>Adjusted underlying result</b>							
OP1	54	<i>Adjusted underlying surplus (or deficit)</i> (Adjusted underlying surplus (deficit)/adjusted underlying revenue) x 100	<b>2.78%</b>	2.76%	4.38%	6.16%	9.00%
<b>Stability</b> <b>Rates concentration</b>							
S1	61	<i>Rates compared to adjusted underlying revenue</i> (Rate revenue/adjusted underlying revenue) x 100	<b>64.98%</b>	70.56%	70.89%	71.95%	72.43%
<b>Rates effort</b>							
S2	62	<i>Rates compared to property values</i> (Rate revenue/capital improved value of rateable properties in the municipality) x 100	<b>0.42%</b>	0.44%	0.44%	0.46%	0.47%

# Financial Report

For the year ended 30 June 2015



*Burnside Children's and Community Centre under construction.*

<b>Financial Statements</b>	<b>70</b>
Certification of the Financial Report	70
Auditor-General's report on the Financial Report	71
Comprehensive Income Statement	72
Balance Sheet	73
Statement of Changes in Equity	74
Statement of Cash Flows	75
Statement of Capital Works	76
<b>Notes to Financial Statements</b>	<b>77</b>
Introduction	77
Note 1 Significant accounting policies terms and conditions	77
Note 2 Budget comparison	82
Note 3 Rates and charges	86
Note 4 Statutory fees and fines	86
Note 5 User fees	86
Note 6 Grants and contributions	87
Note 7 Developer contributions	89
Note 8 Other income	89
Note 9 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	89
Note 10 Employee costs	90
Note 11 Materials and services	91
Note 12 Depreciation and amortisation	91
Note 13 Finance costs	92
Note 14 Bad and doubtful debts	92
Note 15 Cash and cash equivalents	92
Note 16 Trade and other receivables	93
Note 17 Inventories	94
Note 18 Land classified as held for sale	95
Note 19 Other assets	95
Note 20 Property, infrastructure , plant and equipment	96
Note 21 Investment property	101
Note 22 Financial assets	101
Note 23 Intangible assets	101
Note 24 Payables	102
Note 25 Provisions	102
Note 26 Interest-bearing liabilities	103
Note 27 Trust funds and deposits	103
Note 28 Reserves	104
Note 29 Reconciliation of cash flows from operating activities to surplus/(deficit)	106
Note 30 Financing arrangements	106
Note 31 Superannuation	106
Note 32 Commitments	109
Note 33 Operating leases	110
Note 34 Contingent liabilities and contingent assets	110
Note 35 Financial instruments	111
Note 36 Related party transactions	112
Note 37 Event occurring after balance date	113

## Certification of the Financial Report

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



**Thurairajah Shanmugapalan CPA**  
**Principal Accounting Officer**

Dated: 15th September 2015

In our opinion the accompanying financial statements present fairly the financial transactions of Melton City Council for the year ended 30 June 2015 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: 15 September 2015



**Cr Nola Dunn**  
**Deputy Mayor**

Dated: 15 September 2015



**Kelvin Tori**  
**Chief Executive Officer**

Dated: 15 September 2015



Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## Independent Auditor's Report

To the Councillors, Melton City Council

### The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Melton City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

### The Councillors' Responsibility for the Financial Report

The Councillors of the Melton City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

### Independence

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

### Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Melton City Council as at 30 June 2015 and of its financial performance and its cash flows for the year ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirement of the *Local Government Act 1989*.

For John Doyle M.Acc FCA  
Auditor-General

MELBOURNE  
16 September 2015

## Financial Report

For the year ended 30 June 2015

### Comprehensive Income Statement

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Income</b>			
Rates and charges	3	85,898	79,505
Statutory fees and fines	4	3,070	2,769
User fees	5	7,040	6,231
Grants – operating	6	31,207	17,719
Grants – capital	6	3,453	13,726
Contributions – cash	7	5,979	7,212
Contributions – non-monetary assets	7	39,275	53,384
Other income	8	4,746	4,210
Net gain/(loss) on disposal of property, plant and equipment	9	(547)	(4,052)
Fair value adjustments for land held for resale	18	-	19
Recognition of previously unrecognised non-current assets		-	1,528
<b>Total income</b>		<b>180,121</b>	<b>182,251</b>
<b>Expenses</b>			
Employee costs	10	43,124	40,542
Materials and services	11	56,926	54,461
Utilities		3,543	3,602
Depreciation and amortisation	12	23,151	21,718
Finance costs	13	1,362	1,739
Bad and doubtful debts	14	403	388
<b>Total expenses</b>		<b>128,510</b>	<b>122,450</b>
<b>Surplus/(deficit) for the year</b>		<b>51,611</b>	<b>59,801</b>
<b>Other comprehensive income</b>			
Net asset revaluation increment (decrement)	28	(1,518)	35,815
Financial assets available for sale reserve			
- Gain/(loss) taken to equity	22	81	22
<b>Total comprehensive result</b>		<b>50,174</b>	<b>95,638</b>

The above Comprehensive Income Statement should be read with the accompanying notes.



## Balance Sheet

As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	47,768	38,245
Trade and other receivables	16	10,132	9,728
Inventories	17	89	71
Land classified as held for sale	18	543	142
Other assets	19	2,568	895
<b>Total current assets</b>		<b>61,100</b>	<b>49,080</b>
<b>Non-current assets</b>			
Trade and other receivables	16	-	908
Inventories	17	118	225
Property, infrastructure plant and equipment	20	1,349,642	1,302,173
Investment property	21	6,000	6,000
Financial assets	22	1,390	1,309
Intangible assets	23	4,665	4,992
<b>Total non-current assets</b>		<b>1,361,815</b>	<b>1,315,607</b>
<b>Total assets</b>		<b>1,422,915</b>	<b>1,364,687</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	24	15,166	11,266
Provisions	25	7,012	6,570
Interest bearing liabilities	26	7,262	10,850
Trust funds and deposits	27	1,532	1,641
<b>Total current liabilities</b>		<b>30,972</b>	<b>30,327</b>
<b>Non-current liabilities</b>			
Provisions	25	2,900	2,398
Interest bearing liabilities	26	21,218	13,777
Trust funds and deposits	27	2,552	3,085
<b>Total non-current liabilities</b>		<b>26,670</b>	<b>19,260</b>
<b>Total liabilities</b>		<b>57,642</b>	<b>49,587</b>
<b>Net assets</b>		<b>1,365,274</b>	<b>1,315,100</b>
<b>Equity</b>			
Accumulated surplus		881,704	826,944
Reserves	28	483,570	488,156
<b>Total equity</b>		<b>1,365,274</b>	<b>1,315,100</b>

The above Balance Sheet should be read with the accompanying notes.

## Financial Report

For the year ended 30 June 2015

### Statement of Changes in Equity

For the year ended 30 June 2015

2015	Note	Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Asset Revaluation Reserve 2015 \$'000	Other Reserves 2015 \$'000
Balance at beginning of the financial year		1,315,100	826,944	454,711	33,445
Comprehensive result		50,174	51,611	(1,518)	81
Transfers to other reserves	28	-	(14,791)	-	14,791
Transfers from other reserves	28	-	17,940	-	(17,940)
<b>Balance at end of the financial year</b>		<b>1,365,274</b>	<b>881,704</b>	<b>453,193</b>	<b>30,377</b>

2014	Note	Total 2014 \$'000	Accumulated Surplus 2014 \$'000	Asset Revaluation Reserve 2014 \$'000	Other Reserves 2014 \$'000
Balance at beginning of the financial year		1,219,462	777,052	418,896	23,514
Comprehensive result		95,638	59,801	35,815	22
Transfers to other reserves	28	-	(23,241)	-	23,241
Transfers from other reserves	28	-	13,332	-	(13,332)
<b>Balance at end of the financial year</b>		<b>1,315,100</b>	<b>826,944</b>	<b>454,711</b>	<b>33,445</b>

The above Statement of Changes in Equity should be read with the accompanying notes.

**Statement of Cash Flows**  
For the year ended 30 June 2015

	Notes	2015 Inflows/(Outflows) \$'000	2014 Inflows/(Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		85,595	79,029
Statutory fees and fines		2,942	2,447
User charges		7,447	4,738
Grants received		35,174	31,614
Contributions and reimbursements		6,887	7,165
Interest received		1,096	1,388
Receipt of trust monies		(758)	1,983
Other receipts		4,094	3,695
Net GST refund/(payment)		7,876	7,822
Payments to suppliers		(68,250)	(64,398)
Payments to employees		(42,005)	(39,239)
Borrowing costs		(1,362)	(1,739)
<b>Net cash provided by (used in) operating activities</b>	<b>29</b>	<b>38,736</b>	<b>34,506</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(35,096)	(29,590)
Payments for other financial assets		-	(30)
Proceeds from sale of property, infrastructure, plant and equipment		2,030	3,226
<b>Net cash provided by (used in) investing activities</b>		<b>(33,066)</b>	<b>(26,394)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		15,000	7,500
Repayment of borrowings		(11,147)	(6,855)
<b>Net cash provided by (used in) financing activities</b>		<b>3,853</b>	<b>645</b>
Net increase (decrease) in cash and cash equivalents		9,523	8,757
Cash and cash equivalents at the beginning of the financial year		38,245	29,488
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15</b>	<b>47,768</b>	<b>38,245</b>
Financing arrangements	30		
Restrictions on cash assets	15		

The above Cash Flow Statement should be read with the accompanying notes.

## Financial Report

For the year ended 30 June 2015

### Statement of Capital Works

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Property</b>			
Land	20	-	670
<b>Total land</b>		<b>-</b>	<b>670</b>
Buildings	20	18,620	12,851
Building improvements		-	-
<b>Total buildings</b>		<b>18,620</b>	<b>12,851</b>
<b>Total property</b>		<b>18,620</b>	<b>13,521</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment	20	1,049	934
Fixtures, fittings and furniture	20	20	147
Computers and telecommunications	20	93	-
Library books	20	355	331
<b>Total plant and equipment</b>		<b>1,517</b>	<b>1,412</b>
<b>Infrastructure</b>			
Roads	20	9,012	6,571
Bridges	20	695	195
Footpaths and cycleways	20	1,808	-
Drainage	20	173	198
Recreational, leisure and community facilities	20	3,540	4,995
Car parks	20	670	-
Other infrastructure	20	-	-
<b>Total infrastructure</b>		<b>15,898</b>	<b>11,959</b>
<b>Total capital works expenditure</b>		<b>36,035</b>	<b>26,892</b>
<b>Represented by:</b>			
Asset renewal expenditure		5,357	2,078
New asset expenditure		22,590	20,668
Asset upgrade expenditure		7,824	4,146
Asset expansion expenditure		264	-
<b>Total capital works expenditure</b>		<b>36,035</b>	<b>26,892</b>

The above Statement of Capital Works should be read with the accompanying notes.

## 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 comply with 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 investment 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.

## Note 1 Significant accounting policies (continued)

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 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.

### 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

## Note 1 Significant accounting policies (continued)

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 (l) 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 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.

#### Intangibles

Intangible assets are bought to account using the cost basis.

### (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 as follows and are consistent with the prior year unless otherwise stated:

## Note 1 Significant accounting policies (continued)

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
Intangibles	20 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.

### (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.



## Note 1 Significant accounting policies (continued)

### (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 1–20 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.

### (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 probably 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 2015 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.

### (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.

## 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 10 per cent 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 2014. 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 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
<b>Income</b>				
Rates and charges	85,788	85,898	110	
Statutory fees and fines	1,957	3,070	1,113	1
User fees	7,338	7,040	(298)	2
Contributions – cash	9,411	5,979	(3,432)	3
Contributions – non-monetary assets	49,500	39,275	(10,225)	4
Grants – Operating	22,553	31,207	8,654	5
Grants – Capital	5,442	3,453	(1,989)	6
Net gain on disposal of assets	243	(547)	(790)	7
Other income	3,833	4,746	913	8
<b>Total income</b>	<b>186,065</b>	<b>180,121</b>	<b>(5,944)</b>	
<b>Expenses</b>				
Employee costs	47,018	43,124	(3,894)	9
Materials and services	53,831	56,926	3,095	10
Bad and doubtful debts	300	403	103	11
Depreciation and amortisation	22,907	23,151	244	
Finance costs	1,482	1,362	(120)	
Utilities & telephone exps	3,674	3,543	(131)	
<b>Total expenses</b>	<b>129,212</b>	<b>128,510</b>	<b>(702)</b>	
<b>Surplus/(Deficit)</b>	<b>56,853</b>	<b>51,611</b>	<b>(5,242)</b>	

## Note 2 Budget comparison (continued)

### (i) Explanation of material variations

Variance ref	Item	Explanation
1	Statutory fees and fines	Court recoveries of \$620k have been included as other income in the budget. Parking infringements are \$175k above budget and animal infringements are above budget by \$65k due to greater compliance.
2	User fees	The following income items have been reported as Other Income in the Financial Statements, waste services recycling rebates of \$1m and investment property income of \$249k. The following income items have been recorded in the Budget as Other Income: Melton Library Learning Hub room rentals of \$85k and housing rentals of \$130k. The following items were above budget: Transfer Station fees by \$450k due to greater than expected patronage and Family Day Care Admin Levy \$96k due to an educator levy that was introduced post the budget.
3	Contributions – cash	Due to general slow down in Development activity.
4	Contributions – non-monetary assets	Due to large amount of Traffic Management Devices bought during the prior year and a general slow down in Development activity.
5	Grants – Operating	On 30 June 2015 the Commonwealth Government brought forward the payment of half of the estimated aggregate 2015–2016 Financial Assistance Grants allocation to Victorian councils. For Melton this amounted to \$6,290k. CEEP Street Light grant of \$233k was shown as capital grants in the Budget, additional funding of \$72k received for TAC Road Safety and grants that were not budgeted for. The unbudgeted grants were \$83k from Office of Living Victoria, \$72k for outdoor gym equipment in Navan Park, \$80k for Ryan's Creek rehabilitation project and \$163k for Healthy Children Growing Together – Phase 2 of project.
6	Grants – Capital	The variance is due to \$1,600k for Burnside Heights Children's Community Centre being budgeted for the 2014/2015 financial year but received earlier than expected in the 2013/2014 financial year. \$300k for Atherstone Hub 6 – Multipurpose Community Centre was received in the 2014/2015 financial year but had been budgeted for in the 2013/2014 financial year. CEEP Capital grant of \$233k has been shown as Operating Grant in the Financial Statements. There was also additional funding received of \$455k for Atherstone Recreation Reserve which had been announced after the completion of the Budget.
7	Net gain on disposal of assets	Due to write-off of road and building assets during the year.
8	Other income	The main reasons for the difference is due to Waste Management Recycling Rebates of \$1,196k and Investment Property Rental of \$225k being recorded as User Fees and Charges in the Budget. The Court recoveries of \$450k have been reported in the Statutory Fees and Charges in the Financial Report.
9	Employee costs	Agency staff costs have been reported as Contract Labour under Materials and Services in the Financial Statements, they were budgeted for at \$1,207k. Employee salaries were under budget by \$2,009k due to positions not being filled during the year. On-cost recovery under budget by \$750k due to vacant positions.
10	Materials and services	Major variance to budget include the reallocation of \$4.3m Capital Budget items to Materials and Services due to items not meeting capitalisation requirements. Other major variances include \$554k under budget for Footpaths Maintenance; this was due to amount being transferred to capital. Transfer Station transportation costs were under budget by \$423k due to significantly lower than average tonnage per patron and reduced distance of transportation.
11	Bad and doubtful debts	Variance due to greater than expected levels of outstanding infringements debtors.

**Note 2 Budget comparison (continued)****b) Capital Works**

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
<b>Property</b>				
Land	170	-	(170)	1
<b>Total land</b>	<b>170</b>	<b>-</b>	<b>(170)</b>	
Buildings	31,419	18,620	(12,799)	2
<b>Total buildings</b>	<b>31,419</b>	<b>18,620</b>	<b>(12,799)</b>	
<b>Total property</b>	<b>31,589</b>	<b>18,620</b>	<b>(12,969)</b>	
<b>Plant and equipment</b>				
Plant, machinery and equipment	1,100	1,049	(51)	
Fixtures, fittings and furniture	75	20	(55)	3
Computers and telecommunications	312	93	(219)	4
Library books	350	355	5	
<b>Total plant and equipment</b>	<b>1,837</b>	<b>1,517</b>	<b>(321)</b>	
<b>Infrastructure</b>				
Roads	6,760	9,012	2,252	5
Bridges	-	695	695	6
Footpaths and cycleways	195	1,808	1,613	7
Drainage	620	173	(447)	8
Recreational, leisure and community facilities	5,644	3,540	(2,104)	9
Car parks	-	670	670	10
Other infrastructure	531	-	(531)	11
<b>Total infrastructure</b>	<b>13,750</b>	<b>15,899</b>	<b>2,149</b>	
<b>Total capital works expenditure</b>				
<b>Represented by:</b>				
Asset renewal expenditure	4,781	5,357	576	
New asset expenditure	37,370	22,590	(14,780)	
Asset upgrade expenditure	4,329	7,824	3,495	
Asset expansion expenditure	696	264	(432)	
<b>Total capital works expenditure</b>	<b>47,176</b>	<b>36,035</b>	<b>(11,141)</b>	

## Note 2 Budget comparison (continued)

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Variance is due to items not meeting capitalisation requirements.
2	Buildings	Council office space development budgeted to spend \$6.6m but project did not proceed. The Western BACE project was under budget by \$2.5m and the following projects have had budgets carried forward: Atherstone Hub \$800k, McKenzie Street redevelopment \$500k, Burnside Heights Children's Community Centre \$900k and the Civic Centre Redevelopment Design \$270k.
3	Fixtures, fittings and furniture	Variance is due to items not meeting capitalisation requirements.
4	Computers and telecommunications	Variance is due to items not meeting capitalisation requirements.
5	Roads	Due to works completed at Bridge Road under Community Initiative Development Expenditure which was not included in budget.
6	Bridges	Budget included under Roads.
7	Footpaths and cycleways	Variance due to budgeted amounts included under Roads and Recreational, leisure and community facilities.
8	Drainage	Minns Road Retarding Basin project carried forward \$400k.
9	Recreational, leisure and community facilities	Following projects have been carried forward, Atherstone Recreation Reserve Design \$600k, Mt Cottrell \$350k, Taylors Hill West Sports Ovals design \$200k, MacPherson Park BMX Track \$100k, Arnolds Creek Recreation Reserve \$140k and Melton Recreation Reserve Netball and Tennis \$80k.
10	Car parks	Amounts budgeted under buildings.
11	Bad and doubtful debts	Variance is due to items not meeting capitalisation requirements.

## Notes to the Financial Statements

For the year ended 30 June 2015

### 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 2014/2015 was \$19,860,889,400 (2013/2014 \$18,947,252,950). The rate in the CIV dollar was:

	2015	2014
General Developed Land	0.0033400	0.0032029
Commercial Developed	0.0053440	0.0051246
Industrial Developed	0.0053440	0.0051246
Rural Living	0.0030060	0.0028826
Retirement Village	0.0028389	0.0027224
Vacant Land	0.0050101	0.0048044
Commercial Vacant Land	0.0066800	0.0064058
Industrial Vacant	0.0066800	0.0064058
Rural	0.0024048	0.0023061
Extractive Land	0.0096193	0.0092244
Urban Growth Land (Included in General Rate 2013/2014)	0.0025050	N/A

	2015 \$'000	2014 \$'000
General	55,930	52,756
Commercial	8,060	3,975
Industrial	1,910	3,962
Rural	2,173	2,012
Municipal charge	6,295	5,791
Garbage charge	10,255	9,327
Supplementary rates and rate adjustments	1,274	1,682
	<b>85,898</b>	<b>79,505</b>

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

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation first applied in the rating period commencing 1 July 2012.

### Note 4 Statutory fees and fines

	2015 \$'000	2014 \$'000
Infringements and costs	1,153	1,142
Court recoveries	620	513
Town planning fees	92	93
Land information certificates	95	95
Permits	821	646
Property information requests	289	280
	<b>3,070</b>	<b>2,769</b>

### Note 5 User fees

	2015 \$'000	2014 \$'000
Leisure centre and recreation	1,158	1,032
Child care/children's program	547	462
Aged and health services	431	436
Registration and other permits	876	772
Building services	253	212
Youth program fees	80	66
Infrastructure management fees	162	158
Subdivision fees	936	808
Waste management services	1,952	1,539
Other fees and charges	646	747
	<b>7,040</b>	<b>6,231</b>

## Note 6 Grants

Grants were received in respect of the following:

	2015 \$'000	2014 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	24,146	19,368
State funded grants	10,117	11,537
Others	397	540
<b>Total</b>	<b>34,660</b>	<b>31,445</b>
<b>Operating grants</b>		
<i>Recurrent – Commonwealth Government</i>		
Victoria Grants Commission	18,913	6,294
Family and children	1,373	1,205
Other	841	863
<i>Recurrent – State Government</i>		
Aged and disability services	4,138	4,014
Children's services	1,915	2,009
Community support and development	844	802
Environment	603	75
Recreation and leisure	-	27
Community health	117	94
Roads	40	40
Libraries	796	767
Youth Services	48	44
Other	228	104
<i>Other</i>		
Community	230	230
<b>Total recurrent operating grants</b>	<b>30,087</b>	<b>16,568</b>
<i>Non-recurrent – Commonwealth Government</i>		
Family and children	-	27
Environment	233	-
Other	-	141
<i>Non-Recurrent – State Government</i>		
Aged and disability services	40	139
Business growth and sustainability	2	3
Children's services	45	-
Community support and development	150	142
Community safety	151	116
Recreation and leisure	280	19
Roads	-	33
Environment	24	27
Family, youth and housing	3	-
Planning and development	-	36
Other	24	158
<i>Non-Recurrent – Other</i>		
Community health	167	310
<b>Total non-recurrent – operating grants</b>	<b>1,120</b>	<b>1,151</b>
<b>Total operating grants</b>	<b>31,207</b>	<b>17,719</b>

**Note 6 Grants (continued)**

	2015 \$'000	2014 \$'000
<b>Capital Grants</b>		
<i>Recurrent – Commonwealth Government</i>		
Roads to Recovery	770	-
<b>Total recurrent capital grants</b>	<b>770</b>	<b>-</b>
<i>Non-recurrent – Commonwealth Government</i>		
Buildings	2,015	10,838
<i>Non-recurrent – State Government</i>		
Buildings	668	2,888
<b>Total non-recurrent capital grants</b>	<b>2,683</b>	<b>13,726</b>
<b>Total capital grants</b>	<b>3,453</b>	<b>13,726</b>
<b>Conditions over grants</b>		
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:	1,609	7,796
Grants which were recognised as revenues in previous periods and were expended during the current year in the manner specified by the grantor were:	6,155	4,453
<b>Net increase/(decrease) in restricted assets resulting from grant revenues for the year:</b>	<b>(4,546)</b>	<b>3,343</b>



## Note 7 Contributions

	2015 \$'000	2014 \$'000
Monetary	5,979	7,212
Non-monetary	39,275	53,384
<b>Total contributions</b>	<b>45,254</b>	<b>60,596</b>

Contributions of non-monetary assets were received in relation to the following asset classes:

Land	7,093	7,734
Land under roads	3,520	2,693
Buildings	2,279	-
Roads	16,760	35,348
Drainage	9,179	7,453
Recreation	444	156

## Note 8 Other income

Festival sponsorship	32	42
Program revenue	724	832
Rebates	1,196	1,134
Investment property rental	249	244
Interest	1,106	1,372
Other	1,440	586
	<b>4,746</b>	<b>4,210</b>

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

Proceeds of sale	4,024	1,836
Written down value of assets disposed	(4,571)	(5,888)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(547)</b>	<b>(4,052)</b>

**Note 10 Employee costs**

	2015 \$'000	2014 \$'000
Wages and salaries	34,193	32,563
WorkCover	916	775
Superannuation	3,332	2,985
Casual staff	1,502	1,416
Annual leave and long service leave	2,256	1,674
Fringe benefits tax	454	413
Other	470	717
	<b>43,124</b>	<b>40,542</b>

**Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	208	220
Employer contributions payable at reporting date	-	-

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,125	2,764
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

	2015 \$'000	2014 \$'000
Contract payments	26,833	25,900
Maintenance	10,048	6,914
Garbage collection and disposal	1,940	1,982
Consultants	283	242
Contract labour	2,126	2,428
Administrative support	5,809	5,369
Program expenses	3,570	4,955
Professional fees	2,128	2,077
Insurances	904	977
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	76	55
Auditors' remuneration – internal	61	83
Contributions and donations	449	586
Councillors allowances	279	273
Transport and vehicle operations	296	455
Other	2,123	2,165
	<b>56,926</b>	<b>54,461</b>

## Note 12 Depreciation and amortisation

Property	2,683	2,347
Plant and equipment	1,534	1,634
Infrastructure	18,607	17,410
Intangible assets	327	328
	<b>23,151</b>	<b>21,718</b>

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

**Note 13 Finance costs**

	2015 \$'000	2014 \$'000
Interest - borrowings	1,362	1,739
	<b>1,362</b>	<b>1,739</b>

**Note 14 Bad and doubtful debts**

Infringements	371	371
Other	32	17
	<b>403</b>	<b>388</b>

**Note 15 Cash and cash equivalents**

Cash on hand	5	5
Cash at bank	8,480	2,147
Short term investments	39,283	36,092
	<b>47,768</b>	<b>38,245</b>

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

- Reserves (Note 28)	27,870	30,931
- Trust funds and deposits (Note 27)	3,809	4,568
- Fire Services Levy (Note 24)	573	634
<b>Total unrestricted cash and cash equivalents</b>	<b>15,516</b>	<b>2,112</b>

**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	14,400	2,112
<b>Total funds subject to intended allocations</b>	<b>14,400</b>	<b>2,112</b>

## Note 16 Trade and other receivables

	2015 \$'000	2014 \$'000
<i>Current</i>		
Rates debtors	5,489	5,187
Parking infringement debtors	767	640
Provision for doubtful debts – parking infringements	(480)	(350)
Other debtors	5,471	5,201
Provision for doubtful debts – other debtors	(1,209)	(1,033)
Accrued interest	93	83
	<b>10,132</b>	<b>9,728</b>
<i>Non-current</i>		
Other debtors	-	908
	-	908
<b>Total trade and other receivables</b>	<b>10,132</b>	<b>10,636</b>

### 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 and other receivables (excluding statutory receivables) was:

Current (not yet due)	3,044	4,648
Past due by up to 30 days	579	100
Past due between 31 and 180 days	653	253
Past due between 181 and 365 days	167	168
Past due by more than 1 year	1,121	1,023
<b>Total trade &amp; other receivables</b>	<b>5,564</b>	<b>6,192</b>

**Note 16 Trade and other receivables (continued)**

	2015 \$'000	2014 \$'000
<b>b) Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	1,033	891
New provisions recognised during the year	274	260
Amounts already provided for and written off as uncollectible	(84)	(118)
Amounts provided for but recovered during the year	(14)	-
<b>Balance at end of year</b>	<b>1,209</b>	<b>1,033</b>
<b>c) Ageing of individually impaired receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of \$1,209,380 (2014: \$1,033,571) were impaired. The amount of the provision raised against these debtors was \$1,209,380 (2014: \$1,033,571). The 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	1,209	1,383
<b>Total trade &amp; other receivables</b>	<b>1,209</b>	<b>1,383</b>

**Note 17 Inventories**

<i>Current</i>		
Land for interment purposes	89	71
<i>Non-current</i>		
Land for interment purposes	118	225
<b>Total Inventories</b>	<b>207</b>	<b>296</b>

## Note 18 Land classified as held for sale

	2015 \$'000	2014 \$'000
Opening balance	142	788
Transfers to land	(18)	(146)
Additions	495	60
Sales (WDV)	(76)	(579)
Revaluation increment/(decrement)	-	19
<b>Total</b>	<b>543</b>	<b>142</b>

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 \$000	Fair Value measurement at the end of the period using(1):		
		Level 1 \$000	Level 2 \$000	Level 3 \$000
Land	543	-	543	-

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

## Note 19 Other assets

	2015 \$'000	2014 \$'000
<i>Current</i>		
Accrued land sales	2,568	895
<b>Total other assets</b>	<b>2,568</b>	<b>895</b>

## Note 20 Property, infrastructure, plant and equipment

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 2014		226,259	97,735	23,419	<b>347,413</b>	136,392	1,629	<b>138,021</b>	11,549	<b>496,983</b>
Accumulated depreciation at 1 July 2014					-	(37,517)	(986)	<b>(38,503)</b>		<b>(38,503)</b>
		226,259	97,735	23,419	<b>347,413</b>	98,875	643	<b>99,518</b>	11,549	<b>458,480</b>
<b>Movements in fair value</b>										
Acquisition of assets at fair value		-	-	-	-	14,600	-	<b>14,600</b>	4,020	<b>18,620</b>
Developer contributions		7,093	-	3,520	<b>10,613</b>	2,279	-	<b>2,279</b>	-	<b>12,892</b>
Revaluation increments/decrements		-	-	-	-	(4,890)	(4,342)	<b>(9,232)</b>	-	<b>(9,232)</b>
Fair value of assets disposed		-	-	-	-	(2,031)	-	<b>(2,031)</b>	(94)	<b>(2,125)</b>
Transfers		925	(925)	-	-	(407)	12,491	<b>12,084</b>	(11,254)	<b>830</b>
Assets available for sale		-	(476)	-	<b>(476)</b>	-	-	-	-	<b>(476)</b>
		8,018	(1,401)	3,520	<b>10,137</b>	9,551	8,149	<b>17,700</b>	(7,328)	<b>20,509</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation		-	-	-	-	(2,370)	(313)	<b>(2,683)</b>	-	<b>(2,683)</b>
Revaluation increments/decrements		-	-	-	-	657	7,057	<b>7,714</b>	-	<b>7,714</b>
Accumulated depreciation of disposals		-	-	-	-	855	-	<b>855</b>	-	<b>855</b>
Transfers		-	-	-	-	5,758	(5,758)	-	-	-
		-	-	-	-	4,900	986	<b>5,886</b>	-	<b>5,886</b>
At fair value 30 June 2015		234,277	96,334	26,939	<b>357,550</b>	145,943	9,778	<b>155,721</b>	4,221	<b>517,492</b>
Accumulated depreciation at 30 June 2015		-	-	-	-	(32,617)	-	<b>(32,617)</b>	-	<b>(32,617)</b>
		234,277	96,334	26,939	<b>357,550</b>	113,326	9,778	<b>123,104</b>	4,221	<b>484,875</b>



## 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 2014		4,485	625	5,562	3,901	14,573
Accumulated depreciation at 1 July 2014		(2,145)	(582)	(5,026)	(2,024)	(9,777)
		2,340	43	536	1,877	4,796
<b>Movements in fair value</b>						
Acquisition of assets at cost		1,049	20	93	355	1,517
Revaluation increments/decrements		-	-	-	-	-
Cost of assets disposed		(845)	-	-	(348)	(1,193)
Transfers		-	-	-	-	-
		204	20	93	7	324
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation		(796)	(50)	(357)	(358)	(1,534)
Accumulated depreciation of disposals		631	-	-	210	841
Transfers		-	-	-	-	-
		(138)	(50)	(357)	(148)	(693)
At fair value 30 June 2015		4,689	645	5,655	3,908	14,897
Accumulated depreciation at 30 June 2015		(2,283)	(632)	(5,383)	(2,172)	(10,470)
		2,406	13	272	1,736	4,427

**Note 20 Property, infrastructure, plant and equipment (continued)**

PLEASE NOTE: This table is spread over two pages – 96 and 97 – and should be read together.

Infrastructure	Note	Roads	Bridges	Footpaths	Drainage	Recreation
At fair value 1 July 2014		427,790	15,031	101,907	270,920	35,167
Accumulated depreciation at 1 July 2014		(51,896)	(5,150)	(25,715)	(37,539)	(16,480)
		375,894	9,881	76,192	233,381	18,687
<b>Movements in fair value</b>						
Acquisition of assets at fair value		8,413	696	1,442	123	948
Developer contributions		10,968	-	3,402	9,179	444
Revaluation increments/ decrements		-	-	-	-	-
Fair value of assets disposed		(1,910)	-	(297)	(10)	-
Transfers		2,371	59	125	-	3,384
Assets available for sale		-	-	-	-	-
		19,842	755	4,672	9,292	4,776
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation		(9,351)	(206)	(1,613)	(2,821)	(1,780)
Accumulated depreciation of disposals		785	-	168	2	-
Revaluation increments/ decrements		-	-	-	-	-
Transfers		-	-	-	-	-
		(8,566)	(206)	(1,445)	(2,819)	(1,780)
At fair value 30 June 2015		447,632	15,786	106,579	280,212	39,943
Accumulated depreciation at 30 June 2015		(60,462)	(5,356)	(27,160)	(40,358)	(18,260)
		387,170	10,430	79,419	239,854	21,683

PLEASE NOTE: This table is spread over two pages – 96 and 97 – and should be read together.

Kerb and channel	Traffic management	Car parks	Other infrastructure	Work in progress	Total infrastructure	Total Property, infrastructure, plant and equipment
77,191	54,969	5,315	2,767	7,224	998,281	1,509,837
(15,063)	(4,499)	(1,941)	(1,101)	-	(159,384)	(207,664)
62,128	50,470	3,374	1,666	7,224	838,897	1,302,173
-	-	600	-	3,676	15,898	36,035
1,474	916	-	-	-	26,383	39,275
-	-	-	-	-	-	(9,232)
(2)	(1)	-	-	(136)	(2,356)	(5,674)
-	-	-	-	(6,769)	(830)	-
-	-	-	-	-	-	(476)
1,472	915	600	-	(3,229)	39,095	59,928
(1,379)	(1,147)	(217)	(92)	-	(18,607)	(22,824)
-	-	-	-	-	955	2,651
-	-	-	-	-	-	7,714
-	-	-	-	-	-	-
(1,379)	(1,147)	(217)	(92)	-	(17,652)	(12,459)
78,663	55,884	5,915	2,767	3,995	1,037,376	1,569,765
(16,442)	(5,646)	(2,158)	(1,193)	-	(177,036)	(220,123)
62,221	50,238	3,757	1,574	3,995	860,340	1,349,642

## 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 unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – non-specialised	-	96,334	-
Land – specialised	-	-	234,277
Buildings – non-specialised	-	9,778	-
Buildings – specialised	-	-	113,326
<b>Total</b>	<b>-</b>	<b>106,112</b>	<b>347,603</b>

### Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Council's engineers.

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 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	387,170
Bridges	-	-	10,430
Footpaths	-	-	79,419
Drainage	-	-	239,854
Recreation	-	-	21,683
Kerb and channel	-	-	62,221
Traffic management	-	-	50,238
Car Parks	-	-	3,757
Other infrastructure	-	-	1,574
<b>Total</b>	<b>-</b>	<b>-</b>	<b>856,345</b>

### 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 year to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase

## Note 20 Property, infrastructure, plant and equipment (continued)

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.

	2015 \$'000	2014 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	26,939	23,419
Parks and reserves	234,277	226,259
<b>Total specialised land</b>	<b>261,216</b>	<b>249,678</b>

## Note 21 Investment property

Opening balance	6,000	6,000
Transfers to land and buildings	-	-
Additions	-	-
Revaluation increment/ (decrement)	-	-
<b>Total</b>	<b>6,000</b>	<b>6,000</b>

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

	2015 \$'000	2014 \$'000
Unlisted shares – Regional Kitchen Pty Ltd	1,390	1,309

## Note 23 Intangible assets

Non-exclusive licences		
- Caroline Springs College Creekside Campus	748	844
- Springside Children's and Community Centre	1,437	1,513
- Kororoit Creek Early Learning Centre	2,480	2,635
	<b>4,665</b>	<b>4,992</b>

- 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).

## Notes to the Financial Statements

For the year ended 30 June 2015

### Note 23 Intangible assets (continued)

	Non-exclusive licences 2015 \$'000
<b>Gross carrying amount</b>	
Balance at 1 July 2013	6,540
Additions	-
Balance at 1 July 2014	6,540
Additions	-
Balance at 30 June 2015	6,540
<b>Accumulated amortisation and impairment</b>	
Balance at 1 July 2013	(1,220)
Amortisation expense	(328)
Balance at 1 July 2014	(1,548)
Amortisation expense	(328)
Balance at 30 June 2015	(1,876)
Net book value at 30 June 2014	4,992
Net book value at 30 June 2015	4,664

### Note 24 Payables

	2015 \$'000	2014 \$'000
Creditors	5,103	4,460
Accrued expense	10,063	6,806
	<b>15,166</b>	<b>11,266</b>

### Note 25 Provisions

	Annual leave \$'000	Long service leave \$'000
<b>2015</b>		
Balance at beginning of the financial year	3,047	5,921
Additional provisions	2,804	1,054
Amount used	(2,607)	(307)
<b>Balance at the end of the financial year</b>	<b>3,244</b>	<b>6,668</b>
<b>2014</b>		
Balance at beginning of the financial year	2,716	5,362
Additional provisions	2,667	1,187
Amount used	(2,336)	(628)
<b>Balance at the end of the financial year</b>	<b>3,047</b>	<b>5,921</b>
	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Current provisions expected to be settled within 12 months</b>		
Annual leave	2,363	2,254
Long service leave	394	352
	<b>2,757</b>	<b>2,606</b>
<b>Current provisions expected to be settled after 12 months</b>		
Annual leave	881	793
Long service leave	3,374	3,171
	<b>4,255</b>	<b>3,964</b>
<b>Total current provisions</b>	<b>7,012</b>	<b>6,507</b>
<b>Non-current</b>		
Long service leave	2,900	2,398

## Note 25 Provisions (continued)

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

	2015 \$'000	2014 \$'000
Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	3.03%	3.57%
Weighted average settlement period	144mths	144mths

## Note 26 Interest bearing liabilities

<i>Current</i>		
Loans – secured	7,262	10,850
	<b>7,262</b>	<b>10,850</b>
<i>Non-current</i>		
Loans – secured	21,218	13,777
	<b>21,218</b>	<b>13,777</b>
<b>Total interest-bearing liabilities</b>	<b>28,480</b>	<b>24,627</b>
The maturity profile for Council's borrowings is:		
Not later than one year	7,262	10,850
Later than one year and not later than five years	13,293	13,777
Later than five years	7,925	-
	<b>28,480</b>	<b>24,627</b>

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

## Note 27 Trust funds and deposits

	2015 \$'000	2014 \$'000
<i>Current</i>		
Refundable deposits	1,257	1,507
Construction retention monies	275	134
	<b>1,532</b>	<b>1,641</b>
<i>Non-current</i>		
Refundable deposits	2,552	3,060
Other	-	25
	<b>2,552</b>	<b>3,085</b>
	<b>4,084</b>	<b>4,726</b>

### Purpose and nature of items

Refundable deposits

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**

	2015 \$'000	2014 \$'000
<b>(a) Asset revaluation reserve</b>		
Balance at beginning of reporting period	454,711	418,896
Increment (decrement)	(1,518)	35,815
<b>Balance at end of reporting period</b>	<b>453,193</b>	<b>454,711</b>
<b>(b) Other reserves</b>		
<b>Balances</b>		
Street trees/drainage *	842	822
Community infrastructure *	26,703	24,091
Asset replacement	1,444	1,685
Perpetual maintenance	118	115
Public art	279	136
Available for sale financial assets	330	250
Conditional grants *	325	6,018
Defined benefit call	335	328
<b>Total other reserves</b>	<b>30,376</b>	<b>33,445</b>
<b>Total reserves</b>	<b>483,569</b>	<b>488,156</b>

\* Restricted reserves

**Movements**

Asset revaluation reserves	Opening balance \$'000	Movement \$'000	Closing balance \$'000
<b>2015</b>			
Land	215,471	-	215,471
Buildings	1,576	(1,518)	58
Roads	150,059	-	150,059
Bridges	5,023	-	5,023
Drains	80,990	-	80,990
Recreation	913	-	913
Other	679	-	679
<b>Total</b>	<b>454,711</b>	<b>(1,518)</b>	<b>453,193</b>
<b>2014</b>			
Land	193,685	21,786	215,471
Buildings	1,576	-	1,576
Roads	150,059	-	150,059
Bridges	2,067	2,956	5,023
Drains	67,780	13,210	80,990
Recreation	3,099	(2,186)	913
Other	630	49	679
<b>Total</b>	<b>418,896</b>	<b>35,815</b>	<b>454,711</b>



## Note 28 Reserves (continued)

	2015 \$'000	2014 \$'000
<b>Street trees/drainage</b>		
<i>Developer contributions for provision of drainage assets and street beautification</i>		
Balance at beginning of the financial year	822	803
Transfer from accumulated surplus	20	19
Transfer to accumulated surplus	-	-
<b>Balance at end of the financial year</b>	<b>842</b>	<b>822</b>
<b>Community infrastructure</b>		
<i>Provision of community infrastructure in developing subdivisions</i>		
Balance at beginning of the financial year	24,091	20,748
Transfer from accumulated surplus	12,638	7,796
Transfer to accumulated surplus	(10,026)	(4,453)
<b>Balance at end of the financial year</b>	<b>26,703</b>	<b>24,091</b>
<b>Asset replacement</b>		
<i>Provision for ongoing replacement of plant and equipment</i>		
Balance at beginning of the financial year	1,685	1,537
Transfer from accumulated surplus	1,503	1,148
Transfer to accumulated surplus	(1,744)	(1,000)
<b>Balance at end of the financial year</b>	<b>1,444</b>	<b>1,685</b>
<b>Perpetual maintenance</b>		
<i>Provision for cemetery perpetual maintenance</i>		
Balance at beginning of the financial year	115	112
Transfer from accumulated surplus	3	3
Transfer to accumulated surplus	-	-
<b>Balance at end of the financial year</b>	<b>118</b>	<b>115</b>

	2015 \$'000	2014 \$'000
<b>Public art reserve</b>		
<i>Provision for public art</i>		
Balance at beginning of the financial year	136	86
Transfer from accumulated surplus	158	95
Transfer to accumulated surplus	(15)	(45)
<b>Balance at end of the financial year</b>	<b>279</b>	<b>136</b>
<b>Available for sale financial assets</b>		
<i>Provision for movements in available for sale financial assets (Regional Kitchen Refer 22)</i>		
Balance at beginning of the financial year	250	228
Gain taken to equity	80	22
Loss taken to equity	-	-
<b>Balance at end of the financial year</b>	<b>330</b>	<b>250</b>
<b>Conditional grants</b>		
<i>Provision for conditional grants</i>		
Balance at beginning of the financial year	6,018	-
Transfer from accumulated surplus	462	13,852
Transfer to accumulated surplus	(6,155)	(7,834)
<b>Balance at end of the financial year</b>	<b>325</b>	<b>6,018</b>
<b>Defined benefit call</b>		
<i>Provision for defined benefit call</i>		
Balance at beginning of the financial year	328	-
Transfer from accumulated surplus	7	328
Transfer to accumulated surplus	-	-
<b>Balance at end of the financial year</b>	<b>335</b>	<b>328</b>

## Note 29 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2015 \$'000	2014 \$'000
<b>Surplus for the year</b>	<b>51,611</b>	<b>59,801</b>
Depreciation and amortisation	23,151	21,718
Contributions – non-monetary assets	(39,275)	(53,384)
(Profit)/loss on disposal property, infrastructure, plant and equip.	547	4,052
Fair value adjustments for land held for resale	-	(19)
Recognition of previously unrecognised non-current assets	-	(1,528)
<b>Change in assets and liabilities</b>		
(Increase)/decrease in rate debtors	(302)	(973)
(Increase)/decrease in other receivables	790	(1,066)
(Increase)/decrease in other assets	(1,673)	1,775
(Increase)/decrease in land held for resale	(401)	646
Increase/(decrease) in payables	3,900	608
Increase/(decrease) in provisions and other payables	299	2,919
(Increase)/decrease in inventories	89	(44)
<b>Net cash provided by operating activities</b>	<b>38,736</b>	<b>34,506</b>

## Note 30 Financing arrangements

	2015 \$'000	2014 \$'000
Bank overdraft	1,900	1,900
Used facilities	-	-
<b>Unused facility</b>	<b>1,900</b>	<b>1,900</b>

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

## 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 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/2014, this was 9.25%)).

## Note 31 Superannuation (continued)

### 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.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Melton City Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.5% pa  
Salary information 4.25% pa  
Price inflation (CPI) 2.75% pa.

Vision Super has advised that the estimated VBI at 30 June 2015 was 105.8%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

### Employer contributions

#### Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, 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 2015, this rate was 9.5% of members' salaries. 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.

## Note 31 Superannuation (continued)

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.

### Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Melton City Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 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 2014.

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 results of the actuarial investigation during January 2015.

### i) Superannuation contributions

Contributions by Melton City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined benefits	9.50%	208	220
Vision Super	Accumulation Plan	9.50%	3,125	2,764

In addition to the above contributions, Melton City Council has paid unfunded liability payments to Vision Super totalling \$0 (2013/2014 \$0). There were \$0 contributions outstanding and \$0 loans issued from or to the above schemes as at 30 June 2015.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$0.

## Note 32 Commitments

The Council has entered into the following commitments

2015	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
<b>Operating</b>					
Garbage and recycling collection	5,603	5,818	9,998	-	21,419
Health services and cleaning services	778	305	-	-	1,083
Corporate services	422	428	377	-	1,227
Parks maintenance services	6,077	-	-	-	6,077
Road maintenance	5,523	1,090	1,090	-	7,703
Recycling facility operations	1,829	1,956	1,956	-	5,741
Leisure services	157	-	-	-	157
IT services	445	691	-	-	1,136
Social	185	-	-	-	185
<b>Total</b>	<b>21,019</b>	<b>10,288</b>	<b>13,421</b>	<b>-</b>	<b>44,728</b>
<b>Capital</b>					
Computers and telecomms	100	64	-	-	164
Buildings	3,380	-	-	-	3,380
Recreational	7,191	-	-	-	7,191
<b>Total</b>	<b>10,671</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>10,735</b>
2014	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
<b>Operating</b>					
Garbage and recycling collection	5,511	5,240	19,283	-	30,034
Health services and cleaning services	1,014	866	813	-	2,693
Corporate services	451	180	594	-	1,225
Parks maintenance services	5,543	5,543	-	-	11,086
Road maintenance	5,590	5,790	-	-	11,380
Recycling facility operations	1,764	1,827	-	-	3,591
Building services	74	-	-	-	74
Leisure services	152	157	-	-	309
IT services	162	81	-	-	243
Social	109	37	-	-	146
<b>Total</b>	<b>20,370</b>	<b>19,721</b>	<b>20,690</b>	<b>-</b>	<b>60,781</b>
<b>Capital</b>					
Computers and telecomms	40	-	-	-	40
Buildings	14,429	7	-	-	14,436
Roads	1,102	-	-	-	1,102
Recreational	440	40	-	-	480
<b>Total</b>	<b>16,011</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>16,058</b>

**Note 33 Operating leases**

	2015 \$'000	2014 \$'000
<b>(a) Operating lease commitments</b>		
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):		
Not later than one year	399	459
Later than one year and not later than five years	89	488
Later than five years	-	-
	<b>488</b>	<b>947</b>

<b>(b) Operating lease receivables</b>		
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:		
Not later than one year	173	247
Later than one year and not later than five years	86	238
Later than five years	68	90
	<b>328</b>	<b>574</b>

**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.

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.

Melton Council staff are members of Vision Super, a multi-employer defined benefit fund with a total of 104,000 members. Funding of the fund is primarily through employer contributions (9.5%) and returns on investment, however Council may be required to provide additional funds should they be required. Any additional funds provided are contributed in proportion to membership of the total fund. The fund is required to target full funding of its vested benefits. The fund utilises a vested benefits index (VBI) to monitor performance. The fund has set its shortfall limit at a VBI of 97%; if the VBI falls to this level Council is likely to be required to make an additional contribution to the fund. The funds estimated VBI at 30 June 2015 was 105.8%

**Contingent assets**

Developer contributions to be received in respect of estates currently under development is in the range of \$50m to \$55m (2013/2014, \$50m to \$55m).

## 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 are 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.

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

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

### (c) Credit risk

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

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

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

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

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

### (d) Liquidity risk

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.

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

To help reduce these risks Council:

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

## Note 35 Financial instruments (continued)

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 disclosed in Note 31, and 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 2.73%. 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 transactions

### (i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

#### Councillors

Councillor Sophie Ramsey (Mayor 28 October 2014 – current)  
 Councillor Renata Cugliari  
 Councillor Broden Borg (Resigned 20 August 2014)  
 Councillor Kathy Majdlik  
 Councillor Bob Turner (Mayor 28 October 2013 – 28 October 2014)  
 Councillor Lara Carli  
 Councillor Nola Dunn  
 Councillor Michael Matalowski (26 August 2014 – 17 February 2015)  
 Councillor Myles Bentley (1 April 2015 – current)

#### Chief Executive Officer

Kelvin Tori

### (ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
\$1 – \$9,999	1	-
\$10,000 – \$19,999	2	-
\$20,000 – \$29,999	-	5
\$30,000 – \$39,999	4	-
\$40,000 – \$49,999	1	1
\$70,000 – \$79,999	-	1
\$80,000 – \$89,999	1	-
\$339,000 – \$349,000	1	1
	<b>10</b>	<b>8</b>
Total remuneration for the reporting year for Responsible Persons included above amounted to:	626	617



## Note 36 Related party transactions (continued)

### (iii) Senior officers remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$136,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income range:	2015 No.	2014 No.
136,000 to \$139,999	-	1
140,000 to \$149,999	1	6
150,000 to \$159,999	11	7
160,000 to \$169,999	5	2
220,000 to \$229,999	-	1
240,000 to \$249,999	3	2
	<b>20</b>	<b>19</b>

	2015 \$'000	2014 \$'000
Total remuneration for the reporting period for Senior Officers included above, amounted to:	3,219	3,134

### (iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$0 (2013/2014, \$0).

### (v) Loans to responsible persons

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

### (vi) Transactions with responsible persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2014/2015, Nil).

## Note 37 Events occurring after balance date

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

# Index

## A

Achievements .....	15
Advocacy.....	30,34, 59
Aged services .....	39
Aquatic centres.....	15, 47, 64
Asset management .....	6, 12, 30
Audit committee .....	52
Australia Day Awards.....	9

## C

Capital works.....	14, 30
Chief Executive Officer.....	11
Children's services.....	41
Community Consultation.....	36
Council meetings.....	36, 51
Council Plan.....	26
Council offices.....	2
Councillors.....	17, 51, 52
Customer service.....	35

## D

Disability services.....	23, 39, 57
Donations.....	89

## E

Employees.....	18-22
Enterprise Bargaining Agreement.....	22
Equal employment opportunity program.....	22
Events .....	9
Executive .....	20
Expenditure.....	13, 66, 74
External Audit .....	53

## F

Family services.....	10, 41
Financial Performance.....	61
Footpaths .....	6, 28
Freedom of Information.....	58

## G

Governance.....	48-55
-----------------	-------

## H

Health and safety .....	23
Health and wellbeing.....	7, 44-47
Housing .....	28

## I

Infrastructure.....	12, 14
---------------------	--------

## L

Libraries.....	39, 42
Local Laws .....	35

## M

Maternal and Child Health.....	41, 43, 65
Mayor.....	10, 17
Men's sheds .....	7, 15
Mission .....	2

## O

Occupational Health and Safety.....	22,35
Open space .....	28,35,46
Organisational structure .....	19

## P

Parks .....	6, 28
Pets .....	58
Population.....	4, 8
Prevention of violence against women.....	22
Professional development.....	22

## R

Recreation.....	5, 28
Roads.....	5, 28, 31

## S

Statutory information.....	56-58
----------------------------	-------

## T

Transport.....	29
----------------	----

## U

Understanding the Financial Statements .....	76-111
--	--------

## V

Vision and values .....	2
Volunteers .....	23
Victorian Local Government Indicators.....	59

## W

Ward map.....	5
Waste.....	5, 29, 35, 37
Western Business Accelerator and Centre for Excellence.....	14, 30

## Y

Youth .....	39, 41
-------------	--------





**Melton Civic Centre**

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

**Melton Library  
and Learning Hub**

31 McKenzie Street, Melton  
T 03 9747 7200

**Caroline Springs Civic  
Centre and Library**

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

PO Box 21 Melton  
Victoria 3337

DX 33005 Melton  
ABN 22 862 073 889  
W [melton.vic.gov.au](http://melton.vic.gov.au)  
E [csu@melton.vic.gov.au](mailto:csu@melton.vic.gov.au)