

# Melton Shire Council

# Annual Report

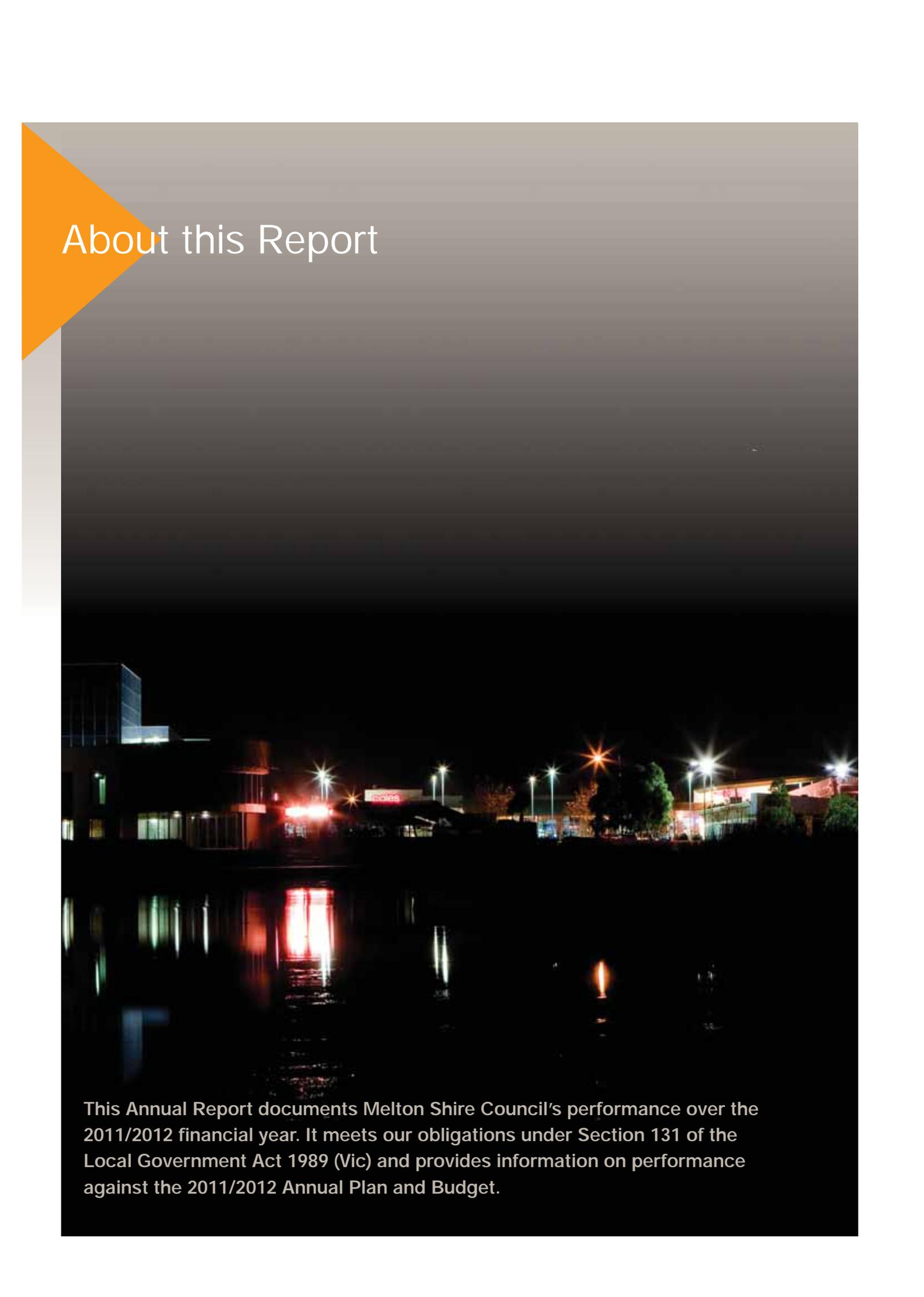
## 2011/2012





# Contents

<b>About this Report</b>	<b>4</b>
<b>Mayor's Message</b>	<b>5</b>
<b>Chief Executive Officer's Report</b>	<b>6</b>
<b>Melton Shire Council</b>	<b>7</b>
Our Vision	7
Council's Strategic Objectives	7
Organisational Values	7
Our Shire	8
Councillors and Wards	10
Executive Team	12
Organisational Structure	13
<b>Overview</b>	<b>14</b>
Highlights 2011/2012	15
Report of Operations	18
Financial Overview	19
<b>Corporate Governance</b>	<b>20</b>
Corporate Planning and Reporting Framework	21
Best Value	21
Council's Role	22
Councillor's Code of Conduct	22
Delegations	23
Council Meetings	23
Councillor Allowances	23
Community Committees Representation	24
Audit Committee	25
Memberships	26
Privacy Policy	26
Community Engagement	27
Freedom of Information	27
Information available for inspection	28
Whistleblowers Protection	29
Domestic Animal Management Plan	30
National Competition Policy Compliance: 2011/2012	31
<b>Human Resources</b>	<b>32</b>
Equal Opportunity Requirements	33
Structural Realignment	33
Industrial Relations	34
Occupational Health and Safety	34
Injury Management	34
Risk Management	34
Leadership Development Program	34
Reward and Recognition Program	34
Volunteers	35
<b>Our Performance</b>	<b>36</b>
Report against the Council Plan 2009 – 2013	36
Victorian Local Government Indicators	60
Community Satisfaction Survey	60
Community Grants Program 2011/2012	61
<b>Audited Statements</b>	<b>68</b>
Performance Statement 2011/2012	70
Standard Statements	77
Financial Statements	87

A nighttime photograph of a modern building with large glass windows and doors, illuminated from within. The building is reflected in a body of water in the foreground. The sky is dark, and the overall scene is lit by the building's lights and streetlights. An orange triangle is in the top-left corner.

# About this Report

This Annual Report documents Melton Shire Council's performance over the 2011/2012 financial year. It meets our obligations under Section 131 of the Local Government Act 1989 (Vic) and provides information on performance against the 2011/2012 Annual Plan and Budget.

## Mayor's Message

I am pleased to present the 2011/2012 Annual Report to you on behalf of Melton City Council.

Our municipality is currently the second fastest growing Local Government Area in Australia with a growth rate of 5.6%. This means 42 families move in and 42 babies are born every week. In September 2012 the Minister of Local Government awarded the municipality City status.

In the past year, Council has continued to lobby the State and Federal Government for support and funding for our fast growth, delivered a series of upgraded and new capital infrastructure projects, introduced new programs for our residents and won some amazing awards.

Council often works in partnership with other governments, community groups and other organisations to achieve all this.

We were proud to launch the Melton West Children's and Community Centre Upgrade, the Springside Community Pavilion and the Taylors Hill Youth and Community Centre.

New programs included the KickStart program, Live Eat Go! and Saturday Nights !!Live!!

Congratulations to all who contributed to winning the National Award for the Melton Men's Shed Tuesday Cooking Program and the Keep Australia Beautiful Victoria Sustainable Cities Protection of the Environment Award for Toolern Vale's Dingo Discovery Sanctuary.

We were also honoured to host a very successful forum aimed at developing strategies to prevent child abuse and violence against women in our ongoing campaign.

You can find more of the 2011/2012 highlights further on in this Annual Report.

The 2011/2012 Annual Report documents Council's performance over the 2011/2012 financial year measured against the 2011/2012 Annual Plan and Budget.

This document starts with information on who we are: our vision, strategic objectives and organisational values, the characteristics of our Shire and the people in Council and the organisation.

We also provide an overview of our highlights and financials and a report of operations.

The Corporate Governance section deals with a wide range of subjects including our corporate planning and reporting framework, best value, risk management, Council's role and code of conduct, committees, community engagement, freedom of information and the National Competition Policy Compliance for 2011/2012.

In the chapter on Human Resources you can find more information about our organisation, including our risk management, leadership development and reward and recognition programs.

The report against the Council Plan, Victorian Government Indicators, community satisfaction survey and community grants program 2011/2012 can be found in the Our Performance section, followed by all financial details and Audited Statements.

On behalf of my Councillor colleagues I would like to thank the organisation's Executive Team and staff for their hard work and commitment in the past year to ensure timely services and infrastructure are delivered to our fast growing community.

**Cr Justin Mammarella, JP**  
Mayor of Melton City Council



# Chief Executive Officer's Report



Looking back on the 2011/2012 financial year, the Shire of Melton continued to experience unprecedented growth. Recently released 2011 Census data shows Melton Shire's population estimate as at 30 June 2012 to be 115,406, with a growth rate of 5.6 per cent.

The Census revealed that 33 per cent of our population was born overseas and 46.9 per cent indicated that both parents were born overseas. Historically, the majority of migration has come from Europe, however, there are increasingly more residents who were born in Asia.

Melton Shire is also a very young community, with a median age of around 32. This confirms that as a growth area, the municipality offers many benefits to young families including diverse lifestyles, affordable housing and close proximity to Melbourne's CBD.

These statistics support Council's efforts when advocating to the State and Federal governments for funding for services and facilities for the community, including health services, public transport, recreation facilities and the provision of early years services.

In the past year we were successful with 37 new grant applications with a total financial value of \$11,466,229. In addition, Council has received in excess of \$28 million in both recurrent and non-recurrent funding over the last 12 months through a range of external funding sources for infrastructure projects and service delivery.

The 2011/2012 financial year saw some major decisions by the State Government for the continued development of Melton Shire.

In August 2011, Council's joint venture proposal with Lend Lease to develop 381 hectares of Council owned land in the Toolern development in Melton South was given final approval by the State Government. In a joint partnership with Council, Lend Lease Communities will develop in excess of 4,500 housing lots, two schools and two commercial centres along with associated community and recreational facilities on Council owned residential land south of the Melbourne-Ballarat railway line. These housing lots will ultimately become home to approximately 14,000 people. Work on the 'Atherstone' development commenced in late 2011 and will take approximately 15 years for completion.

Atherstone will also contain a major activity centre with business and employment opportunities, creating many local jobs. Council continues to aim to attract and retain business investment to redress the current imbalance between the number of residents and the number of local jobs.

The State Government also approved the Rockbank North and the Diggers Rest Precinct Structure Plans (PSPs)

in June 2012, allowing for the further expansion of our growing community.

The Rockbank North area will ultimately have 6650 houses to provide homes for up to 20,000 people over the next 20 years and will also include two state primary schools, a secondary school, three active recreation reserves, two local community facilities, passive recreation, a major and local town centre and a vital east-west arterial road.

The Diggers Rest PSP will allow the development of approximately 3800 new homes for 11,000 new residents over the next 25 years. The plan illustrates the urban expansion to the existing Diggers Rest Township, providing vital population growth to support a range of new commercial, retail and community facilities in addition to upgrades to existing public facilities. The Diggers Rest area will be serviced by a local town centre located centrally within the precinct along the extension of Houdini Drive, a multi-purpose community centre and additional sportsgrounds.

The past year has also been a year of internal growth and change for the organisation, with a structural re-alignment fully implemented and a number of new managers coming aboard. I would like to thank all staff, especially the Executive team, for their support and contribution to the development of the municipality. I would also like to extend my appreciation to the Mayor and Councillors for the way in which they have worked collaboratively in a true partnership approach with staff to deliver on the community's expectations.

**Kelvin Tori**  
Chief Executive Officer

# Melton Shire Council

## Our Vision

Our community, our future

## Council Strategic Objectives

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

## Organisational Values

### One organisation responding to the needs of the community

#### We value working together as one team

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

#### We value doing things better

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

#### We value fair treatment for everyone

- We actively listen and respond appropriately
- We make decisions in a reasonable and consistent manner
- We actively promote the Health and Well Being of our employees
- We build trusted relationships.

#### We value recognising the efforts of others

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

## Our Shire

### Melton Shire Council Snapshot

- Location: 19 km west of Melbourne CBD
- Population: 115,406 (as at 30 June 2012)
- Rateable properties: 42,150 (as at 30 June 2012)
- Area 528km<sup>2</sup>
- Annual Budget 2011/2012 \$158.6 million (total actual income) including non cash revenue of \$43.1 million
- Staff 527 (As at 30 June 2012)

### Geographical area

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

### History and heritage

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

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

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

### The Shire of Melton is booming

The Shire of Melton is one of the fastest growing municipalities in Australia, offering the best in urban and rural lifestyles within a comfortable commuting distance from Melbourne, Victoria.

The Shire of Melton embraces a series of townships and communities, the larger towns being Caroline Springs and Melton. Caroline Springs is 19 kilometres west of Melbourne's CBD and Melton is 35 kilometres west of Melbourne's CBD. Other communities are Burnside, Burnside Heights, Brookfield, Chartwell, Diggers Rest, Eynesbury, Exford, Hillside, Kurunjang, Melton South, Melton West, Mt Cottrell, Parwan, Plumpton, Ravenhall, Rockbank, Taylors Hill, Toolern Vale and Truganina.

Growth areas in the Shire of Melton include Melton West, Melton North, Eynesbury and Botanica Springs in the township and Caroline Springs, Hillside, Taylors Hill, Taylors Hill West, Burnside and Burnside Heights in the Shire of Melton's Eastern Growth Corridor.

Toolern is the major future urban growth area within the Shire, which includes the Atherstone and Waterford developments. Located southeast of Melton Township on about 2,500ha, Toolern will ultimately have about 60,000 people living in around 20,000 households. Other future growth areas are Diggers Rest and Rockbank North.

### Fast-growing, young and diverse community

Between 2001 and 2012 the estimated residential population of the Shire doubled from 51,823 to 115,406.

Currently, the Shire of Melton has a population of 115,406 and a growth rate of 5.6% per annum. By 2031 it is expected that the Shire of Melton will have a population of more than 241,000. The Shire of Melton offers diverse lifestyles and affordable living, which is why the community grows by 42 families per week. The municipality

has a very young population: 42 babies are born each week and the median age is around 32.

Thirty three per cent of the Shire's population was born overseas and 46.9% indicated in the 2011 Census that both parents were born overseas. Historically, the majority of migration has come from Europe, however, there are increasingly more residents who were born in Asia.

### Quality Council services

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

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

High-quality sports facilities and a calendar full of colourful festivals and cultural events means there is always plenty to do. Melton Shire Council cares for residents through its social, health and aged care services. We endeavour to do our best to ensure quality of life for all, be it through infant immunisation, meals on wheels, carer support, information and community transport services. Youth counselling and amenities also contribute to opportunities for young people in our community. Recycling and rubbish collection have been upgraded to make a further contribution to a more sustainable environment and offer wider resource recovery services to all residents.

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

### Exciting business opportunities

The Shire of Melton offers:

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

### Great place to visit

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

The Melton Township Heritage Trail, the Willows Historical Park and Homestead, the Eynesbury Heritage Trail and the Dry Stone Walls Driving Trail take you back to long ago times. If you love nature and walks, the Eynesbury Grey Box forest, the Melton Botanical Gardens, the Melton Reservoir and our local parks have lots to offer.

### Fun things to do within our municipality

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

Lakeside Live and the Djerriwarrh Festival are our biggest annual events, attracting thousands of residents and visitors.

The annual ArtBeat Festival runs over 10 days and includes an exhibition, an Artist in Residence Program, Art Day Out and a range of other activities.

### Home of harness racing

The Shire of Melton has a strong equine history and is the home of harness racing.

Tabcorp Park, the harness racing and entertainment complex in Melton, opened its doors in March 2009 and over a 100 race meetings are held each year. Along with many successful horse trainers, training facilities and breeders located in the Shire, Tabcorp Park enhances Melton Shire's reputation as one of the premier equine municipalities in the country.

### Promoting Environmental Sustainability

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

- Council adopted its Greenhouse Action Plan 2011-2015. The plan sets a target of 10% reduction in Council's corporate 2010 greenhouse gas emissions by 2015.

- The new Melton Library and Learning Hub which is currently under construction and will be opened in 2013, is proposed as a 5 Star Green Star accreditation from the Green Building Council of Australia. It will be the first public building in the Western metropolitan area to be built to this standard. It is focussed on sustainable design and energy efficiency, including extensive use of sustainable building materials, efficient design to minimise heating and strong emphasis on rain collection and reuse.
- The Shire of Melton won the Keep Australia Beautiful Victoria Sustainable Cities Award in 2010 and 2007. It also won the National Keep Australia Beautiful Award in 2007. In 2010 it also won the Keep Australia Beautiful Victorian Protection of the Environment Award, the Dame Phyllis Frost Award and the National Keep Australia Beautiful Energy Innovation Awards. In 2011, Toolern Vale's Dingo Discovery Sanctuary and Research Centre took out the Protection of the Environment Award.
- Council supports local environment and landcare groups.
- Eynesbury (south of Melton Township) is the first Victorian town that will be fully connected to recycled water. The Toolern development will also use recycled water.
- Council purchased the 48-hectare Mount Cottrell volcanic cone to protect State and Nationally significant flora and fauna and geological features of the site.

## Councillors and Wards

 <p><b>Watts Ward</b></p>	 <p><b>Cr Justin Mammarella JP, Mayor, Watts Ward</b>            Email: <a href="mailto:justin.mammarella@melton.vic.gov.au">justin.mammarella@melton.vic.gov.au</a>            Mobile: 0412 379 753</p>
 <p><b>Coburn Ward</b></p>	 <p><b>Cr Broden Borg, Deputy Mayor, Coburn Ward</b>            Email: <a href="mailto:broden.borg@melton.vic.gov.au">broden.borg@melton.vic.gov.au</a>            Mobile: 0412 095 351</p>
 <p><b>Watts Ward</b></p>	 <p><b>Cr Renata Cugliari, Watts Ward</b>            Email: <a href="mailto:renata.cugliari@melton.vic.gov.au">renata.cugliari@melton.vic.gov.au</a>            Mobile: 0438 057 807</p>
 <p><b>Cambridge Ward</b></p>	 <p><b>Cr Kathy Majdlik, Cambridge Ward</b>            Email: <a href="mailto:kathy.majdlik@melton.vic.gov.au">kathy.majdlik@melton.vic.gov.au</a>            Mobile: 0412 584 058</p>



**Cr Sophie Ramsey, Coburn Ward**  
 Email: [sophie.ramsey@melton.vic.gov.au](mailto:sophie.ramsey@melton.vic.gov.au)  
 Mobile: 0412 584 067

**Coburn Ward**




**Cr Garry Stock, Cambridge Ward**  
 Email: [garry.stock@melton.vic.gov.au](mailto:garry.stock@melton.vic.gov.au)  
 Mobile: 0421 708 061

**Cambridge Ward**




**Cr Bob Turner, Coburn Ward**  
 Email: [bob.turner@melton.vic.gov.au](mailto:bob.turner@melton.vic.gov.au)  
 Mobile: 0412 584 224

**Coburn Ward**



TOOLERN VALE  
Watts Ward  
DIGGERS REST  
MELTON WEST  
Coburn Ward  
KURUNJANG  
PLUMPTON  
MELTON  
HILLSIDE  
MELTON SOUTH  
ROCKBANK  
CAROLINE SPRINGS  
EXFORD  
BURNSIDE  
EYNESBURY  
MOUNT COTTRELL  
RAVENHALL  
TO MELBOURNE >

< TO BALLARAT

Refer to page 22 for Councillor Code of Conduct.  
 Refer to page 24 for Councillor representation on committees.

## Executive Team

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

### Chief Executive Officer

#### Kelvin Tori

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

Kelvin holds a Bachelor in Economics and is a qualified CPA. He has over 20 years experience in Local Government. He was previously Council's General Manager Corporate Services.



### General Manager Community Services

#### Maurie Heaney

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



### General Manager Planning and Development

#### Luke Shannon

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



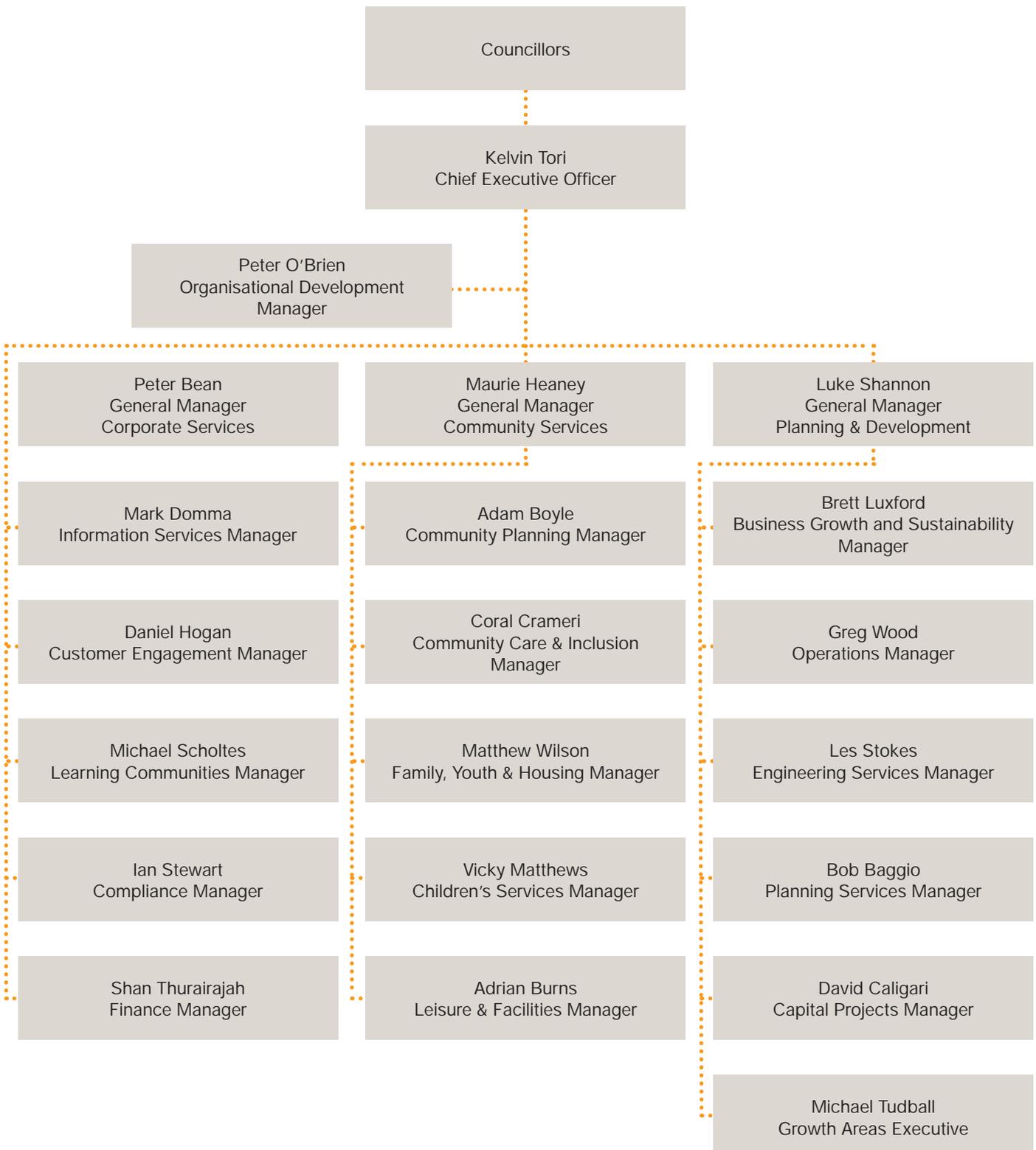
### General Manager Corporate Services

#### Peter Bean

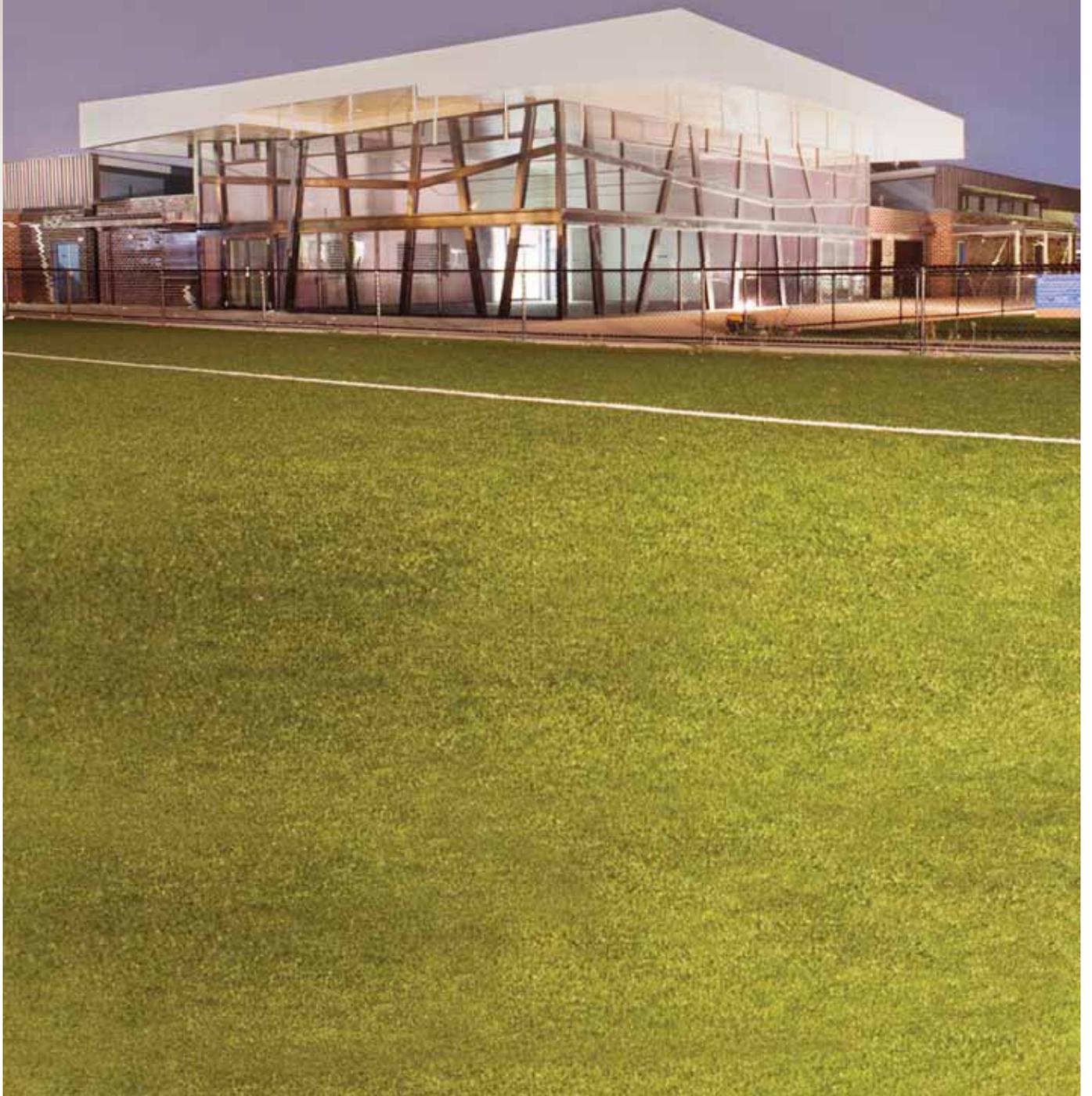
Peter has worked in Local Government for over twenty years in Councils in metropolitan and interface areas of Melbourne as well as North Eastern Victoria. His portfolio covers areas such as Customer Engagement, Finance, Learning Communities, Compliance and Information Services. Peter holds a Bachelor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



## Organisational Structure



# Overview





## Highlights 2011/2012

### Melton West Children's and Community Centre Upgrade

The Centre underwent a \$400,000 redevelopment to help meet the needs of Melton Shire's growing community. The renovated and enhanced Centre provides Melton families with access to Kindergarten, Maternal and Child Health, and community space at the one location.

### KickStart program

Council's KickStart Swimming Program was launched at Melton Waves Leisure Centre.

The program is designed for children aged three years and over with autism, sensory processing difficulties and those with specific learning needs.

### Dog parks

Two specifically constructed fenced dog parks have been established at Boronia Reserve in Hillside and Navan Park in Melton West.

### Protection of the Environment Award

Toolern Vale's Dingo Discovery Sanctuary and Research Centre took out the Protection of the Environment Award at the 2011 Keep Australia Beautiful Victoria Sustainable Cities Awards.

### Beautification Coburns Road

Council landscaped the centre median of Coburns Road from the Western Highway to Centenary Avenue and planted trees in this area. In addition landscaping improvements were made to a service lane median strip between Westmelton Drive and Centenary Avenue.

### 'Udderly' amazing community art

A new inclusive community artwork titled "Udderly Art", featuring life size cows and a calf, has been installed at Morton Homestead in Taylors Hill.

The project was a collaboration between local artist Blair Angelo and people with disabilities, their siblings and support staff from four local service providers, including MacKillop Family Services, Merrimu Services, Melton Specialist School, Western Region Health Centre Melton and Bacchus Marsh Community Mental Health Program Outlooks.

### Melton Men's Shed wins National award

The Melton Men's Shed has won an award at the National Men's Shed Conference held in Brisbane. The Shed's Tuesday Cooking Program received the most innovative program award.

### Diggers Rest netball court facility

Works started for the construction of a netball facility at Diggers Rest Recreation Reserve.

The project includes a flexipave netball court, competition standard lighting, shelter for players, fencing around the court, footpath construction and additional car spaces.

### Preventing child abuse and violence against women

Council also hosted a forum aimed at developing strategies to prevent child abuse and violence against women. Around 60 representatives from the community, service providers, leading experts and local and State Government attended the forum designed to raise awareness about the prevalence of child abuse and violence against women and the protective factors that can prevent child abuse, including local government programs and services.

### Council Tackles Chronic Lifestyle Disease

Melton Shire Council is one of 19 Victorian LGA's funded by the Australian Government to deliver a variety of community-based, healthy lifestyle programs over the next 18 months. The Live Eat Go! Program encourages adult residents to participate in low cost, accessible and enjoyable healthy living programs that focus on physical activity, healthy eating and positive behaviour changes.

### Springside Community Pavilion complete

The community pavilion complements the nearby synthetic playing surfaces and features a large function/activity room, meeting rooms, change rooms, kitchen facilities and public amenities.

### Gourlay Road Duplication

Gourlay Road was duplicated between Hume Drive and Taylors Road, Taylors Hill.

### Upgrade at Melton Recycling Facility

Melton's Recycling Facility has received an upgrade as part of ongoing improvements at the site. Hydraulic tipping hoppers have been installed at the residual waste disposal area at the facility. Residual waste refers to household waste items that cannot be composted or recycled.

### National Year of Reading

Council kicked off celebrations for National Year of Reading 2012 with a launch event at Caroline Springs Library. This started a yearlong series of events that included author talks, participation in National Reading Hour, a moonlight storytelling session and a fun reading day.

### Centenary Avenue duplication

The duplication of Centenary Avenue from Coburns Road to Palmerston Street involved the construction of a new eastbound carriageway, incorporating part of the existing service road, and partial reconstruction and asphalt overlay of the existing westbound carriageway. The works included service relocations, underground drainage, kerb and channel, vehicle crossing and footpath works, bicycle and parking lanes, public lighting, signage, line marking and landscaping.

### Commencement of Melton Library and Learning Hub construction

Construction started on the Melton Library and Learning Hub in January 2012.

The project will deliver a state-of-the-art integrated community hub for the Shire's fast growing community and is planned to be completed in May 2013.

On top of providing traditional library services, the Melton Library and Learning Hub will also provide a focus on lifelong learning and community activity. It will offer an integrated approach to other Council services including extended customer service and Maternal and Child Health. The facility will also feature a seminar room, facilities for family and local history research, study and discussion areas, as well as a strong information technology component with the latest in wireless connectivity, self-serve library equipment and computer training rooms.

The building will have a focus on sustainable design and energy efficiency, with a proposed 5 Star Green Star accreditation from the Green Building Council of Australia, making it the first public building in the Western metropolitan area to be built to this

standard. This will include extensive use of sustainable building material, energy efficient design to minimise heating and cooling costs and strong emphasis on rain collection and reuse.

The Melton Library is temporarily located at Victoria University, corner of Rees and Wilson roads, Melton South.

Council has welcomed the announcement of \$4 million in funding by the Regional Australia Minister towards the new Melton Library and Learning Hub.

The funding has been allocated through the second round of the Federal Government's Regional Development Australia Fund (RDAF).

### Grant to tackle youth binge drinking

Melton Shire Council will receive \$287,282 in funding over the next two years under the Federal Government's National Binge Drinking Strategy to help tackle binge drinking behaviour among young people.

Council's Youth Services department will deliver an innovative new program, to be known as Saturday Nights !!Live!!, which will see 75 Saturday night, alcohol free, "drop-in" events take place at both the Melton Youth Centre and new Taylors Hill Youth and Community Centre. The program will also engage peer educators to raise awareness of the harms associated with binge drinking.

### Maternal and Child Health service operating in Eynesbury

Young families in Eynesbury no longer need to travel to receive Maternal and Child Health services for their children with Council's Maternal and Child Health service now operating from the Eynesbury Discovery Centre. The service is available every Friday for half a day and will increase as demand grows.

### Palmerston Street gets a facelift

The upgrade of the streetscape greatly improves the precinct's aesthetic landscape and functionality for both pedestrians and vehicles. The works involved the reconstruction of the entire streetscape on both sides of Palmerston Street between High and Unitt streets in Melton township. The upgrade promotes the use of public transport, enhances public safety and mobility and provides effective links between town precincts.

### Council's emergency management plan receives praise

Melton Shire Council's Emergency Management Plan has been given the tick of approval following an audit by the Victorian SES. As a result of the recent audit, Council's MEMP has been assessed as 'complying fully or more than adequately with the guidelines issued by the Minister', which places Council in the top three per cent of municipalities within Victoria.

### Taylors Hill Youth and Community Centre opens its doors

The Taylors Hill Youth and Community Centre and Reserve offers a wide range of integrated services at the one location.

The Centre and Reserve provides a home base for Council's Youth Services provision in the area, with space for self development groups, young men's and women's programs, life skills programs, assertiveness courses and a base for larger scale events.

Taylors Hill Youth and Community Centre and Reserve will also host a range of community and Neighbourhood House programs, including adult education, languages other than English, parenting seminars and a space where the local community can meet and socialise.

The Centre and Reserve features a multi-purpose recreational space with ovals for cricket, football and soccer, and includes sports lighting, an access for all abilities playground, change rooms and landscaping.

### Council welcomes kindergarten funding

Melton Shire Council has welcomed the announcement of \$2.1 million in funding by the State Government Minister for Children and Early Childhood Development to increase early years delivery in the Shire. The funding will help Council deliver a new Early Years Facility at Botanica Springs Estate and facilitate significant extensions and renovations to Parkwood Green and Kororoit Creek kindergartens.

### Navan Park and Burnside Heights playspaces

Council received \$654,000 in funding from the Department of Regional Australia, Regional Development and Local Government's Regional and Local Community Infrastructure Program (RLCIP) for the development of two playspaces in the Shire.

The funding allowed for the construction of the newly completed playspace at Burnside Heights Recreation Reserve and a significant upgrade to the playspace at Navan Park in Melton West.

The Burnside Heights playspace features play equipment, with a focus on sensory play areas as well as shelters and picnic facilities. The upgrade at Navan Park includes the addition of play equipment, including access all abilities equipment as well as shelters and picnic areas.



## Report of Operations

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

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

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

#### Successful New Grant Applications 2011/2012

Council plays a strong advocacy role in regards to actively seeking out funding opportunities and advocates to various funding bodies regarding Council's capacity to deliver on projects. In the past twelve months through the preparation of high quality submissions, Council has successfully attracted a significant amount of new external non-recurrent funding, of which a significant portion will be invoiced in the 2012/2013 financial year and subsequent years.

#### Successful New Grant Applications 2011/2012

No. of successful new grant applications 2011/2012	37
Funds received for successful new applications in 2011/2012	\$3,574,644
Total funds outstanding (to be invoiced in 2012/2013 financial year and subsequent years)	\$7,891,585
Total financial value of successful new grant applications submitted in 2011/2012	\$11,466,229

#### Total Funding Received

In addition, the Shire of Melton has received in excess of \$28 million in both recurrent and non-recurrent funding over the last twelve months through a range of external funding sources including the Department of Planning and Community Development (DPCD), the Department of Education and Early Childhood Development (DEECD) and the Department of Health (DOH). This funding has been received for the delivery of a number of capital works and infrastructure projects as well as a range of services for our residents' diverse needs.

#### Total External Funding Received

Total value of funds received recurrent and non recurrent funding 2011/2012	\$28,146,142
Total funds outstanding (to be invoiced in 2012/2013 financial year and subsequent years as per Table 1)	\$7,891,585
Total value external funds 2011/2012	\$36,037,727



## Financial Overview

### b) Major policy initiatives

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

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

- Rockbank North
- Diggers Rest

In addition, the Growth Corridor Plans have been approved by the State Government.

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

### c) Structural changes to Council

In 2011/2012 changes occurred in the structure of the following units:

- Compliance
- Capital Projects
- Learning Communities
- Leisure and Facilities
- Customer Engagement
- Community Planning
- Operations
- Information Services
- Business Growth and Sustainability
- Leisure Centres
- Family Day Care

**Council's equity increased by \$108.9 million during 2011/2012, mainly due to assets contributed by developers of \$43 million and asset revaluation increments of \$61.6 million. Council's net worth to the community is \$1,125 million.**

#### Operating Result

Council's operating result for the year was a surplus of \$47 million inclusive of \$50 million of contributions from developers of which \$43 million were contributed assets.

#### Cash Position

Council's cash position at 30 June 2012 decreased by \$1 million to total cash on hand at year end of \$35.5 million.

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

#### Financial Ratios

Council's debt servicing ratio, which is a measure of debt servicing cost as a percentage of Council's rate income, has decreased due to reduced borrowings and increased rates income. Council's debt commitment ratio, a measure of Council's rate revenue utilised to pay interest and redeem debt principal, has decreased slightly to 8.11%.

Council's working capital ratio decreased to 1.57 from 2.45 mainly due to Vision Superannuation Benefit Call of \$4.5m and the timing of loan repayments.

#### Capital Works

Council's expenditure on capital items for the year was \$34.2 million, an increase of \$16.5 million on the previous year, with 71.5% of the original approved budget program being completed. Capital projects worth \$13.5 million consisting of 29 projects were not completed as planned. These projects are expected to be completed in the 2012/2013 financial year.

Major projects completed included:

- Roads \$7.3 million
- Community Infrastructure \$4.9 million
- Plant Replacement \$1.2 million
- Tourism and Leisure \$1.4 million
- Other \$2.2 million

# Corporate Governance



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

## Corporate Planning and Reporting Framework

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

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

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

## Best Value

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

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

- Meet their agreed quality and cost standards
- Are responsive to the needs of our community
- Are accessible to those members of the community for whom the service is intended
- Achieve continuous improvement in the provision of services for the community
- Include consultation with its community in relation to the services it provides
- Regularly report on their performance to the community

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

## Council's Role

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

Melton Shire Council:

- Acts as a representative government and considers community needs when making decisions
- Establishes strategic objectives for municipal services and monitors their achievement
- Ensures the responsible and accountable management of the organisation's resources
- Advocates local community interests to other communities and governments
- Is a responsible partner in government, taking the needs of other communities into account
- Fosters community cohesion and encourages participation in civic life.

## Councillor's Code of Conduct

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

In accordance with Section 76C of the Local Government Act 1989, Council reviewed the Code of Conduct within 12 months of the November 2008 general election, and adopted the revised Councillor Code of Conduct on 24 August 2009.

Council varied the Code of Conduct by resolution of Council to include a requirement for Council to establish a "Register of Meetings", in which individual Councillors are required to record the details of any meetings that occur between a Councillor and a Member of Parliament, an employee of a Member of Parliament, or a representative of a commercial interest.

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

In carrying out their role, Councillors will:

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

In addition, in performing the role, Councillors will:

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

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

## Delegations

The Melton Shire Council powers under the Local Government Act 1989 (Vic) or any other Act may be delegated to a special committee of Council, to the CEO or to a Council officer via the CEO. Staff are accountable to the CEO. The Council and its committees establish policy while staff make decisions in accordance with that policy. The exercise of delegations is subject to the Council's Instrument of Delegations.

## Council Meetings

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

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

## Councillor Allowances

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

The Mayor and Councillors allowances for the 2011/2012 financial year are

listed below. This amount includes 9% superannuation contribution applicable to the basic allowances they are entitled to. Council changed from a category 2 Council to a category 3 Council on 1 December in recognition of the rapid growth and complex issues it faces. This resulted in Council evaluating and resolving to increase in the allowance provided to both the Mayor and Councillors. The table below sets out the allowance payable for each of the two categories per annum.

	July to November 2011	December 2011 to June 2012
Mayor's allowance	\$71,924 per annum	\$88,965 per annum
Councillor's allowance	\$23,245 per annum	\$27,848 per annum

## Community Committees Representation

Name of Committee	Councillor Representative
Audit Committee	Cr Stock, Cr Majdlik
Best Start Committee	Cr Mammarella, Cr Borg, Cr Majdlik Cr Cugliari (Substitute)
Bullum Bullum Aboriginal Place CA 3A Advisory Committee	Cr Borg
Calder Highway Improvement Committee	Cr Majdlik
Caroline Springs Leisure Centre Users Forum	Cr Mammarella, Cr Majdlik
CEO Review Special Committee	Cr Mammarella, Cr Borg, Cr Majdlik
Collingwood / Shire of Melton Community Benefit Program	Cr Majdlik
Community Grants Assessment Panel	Cr Mammarella, Cr Borg, Cr Majdlik
Community Learning Board	Cr Stock
Cultural and Linguistically Diverse Advisory Committee	Cr Stock
Disability Advisory Committee	Cr Majdlik
Djerriwarrh Festival Advisory Committee	Cr Borg
Early Years Partnership Committee	Cr Mammarella, Cr Ramsey, Cr Majdlik
Establishment Support Scheme	Cr Majdlik
Heritage Advisory Committee	Cr Cugliari
Harness Racing Victoria Grants Committee	Cr Borg, Cr Cugliari
Interface Councils	Cr Mammarella
Leadwest Ltd Board	Cr Stock, Cr Ramsey (Substitute)
Melbourne Airport Noise Abatement Committee	Cr Cugliari, Cr Mammarella (Substitute)
Melton Highway Action Committee	Cr Borg, Cr Cugliari
Melton Indoor Recreation Centre Committee	Cr Borg, Cr Turner (Substitute)
Melton Railway Station Committee	Cr Borg
Melton Waves Reference Group	Cr Ramsey, Cr Borg
Metropolitan Waste Management Forum	Cr Turner, Cr Stock (Substitute)
Mt Cottrell Recreation Reserve Committee of Management	Cr Majdlik
Municipal Association of Victoria State Council	Cr Majdlik
Municipal Emergency Management Planning Committee	Cr Turner, Cr Ramsey and Cr Mammarella (Substitutes)
Municipal Fire Prevention Committee	Cr Turner, Cr Borg (Substitute)
National Growth Areas Alliance (NGAA)	Cr Mammarella, Cr Ramsey
PDAC (Planning & Development Advisory Committee)	Cr Mammarella, Cr Ramsey
Police & Community Consultative Committee	Cr Mammarella, Cr Majdlik,
Policy Review Panel	Cr Mammarella, Cr Ramsey, Cr Majdlik
Reconciliation Committee	Cr Cugliari
Road 2 Zero Steering Committee	Cr Borg, Cr Ramsey
Road Safe Committee West Gate	Cr Ramsey
Shire of Melton Leisure & Arts Committee	Cr Borg, Cr Turner (Substitute)
Strategic Health Forum	Cr Mammarella, Cr Ramsey, Cr Turner
Sydenham Transit City Partnership	Cr Majdlik, Cr Cugliari (Substitute)
Western Highway Action Committee	Cr Borg, Cr Mammarella (Substitute)
Western Melbourne Tourism Board	Cr Ramsey
Western Region Mayors Forum	Cr Mammarella
Westwaters/Shire of Melton Community Benefit Program	Cr Majdlik, Cr Stock
Victorian Local Governance Association	Cr Mammarella
Youth Consultative Committee	Cr Borg
24h General Public Hospital for Melton Advisory Committee	All Councillors

## Audit Committee

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

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

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

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

### Members of the Committee

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

Members of the Committee during 2011/2012 were:

Ken Higginbotham	Chairperson Independent External (to December 2011)
Alan Hall	Chairperson Independent External (from January 2012)
	Independent External (to December 2011)
Adam Roberts	Independent External (from January 2012)
Garry Stock	Councillor
Broden Borg	Councillor (to December 2011)
Kathy Majdlik	Councillor (from January 2012)

The Audit Committee met six times during the year and also reviewed the 2010/2011 Statement of Accounts and provided comments on the external auditors' management letter.

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

### Audit Reviews Completed 2011/2012

During the 2011/2012 financial year, the following audits were undertaken by Council's Internal Auditors:

- Review on Greenhouse Gas Emissions
- Review on Capital Works Program & Linkages to Council's Strategic Plan
- Review on Payroll
- Review on Financial Management of Developer Contributions
- Review on Road Management Plan Compliance
- Review on Human Resource Management Procedures

## Memberships

Memberships 2011/2012	\$
Aquatics & Recreation Victoria	550
Arts Hub Australia	429
Association for Children with a Disability	55
Australasian Cemeteries & Crematoria Association	265
Autism Victoria	75
Cemeteries & Crematoria Association of Victoria	480
Centre For Excellence in Child & Family Welfare	340
Community Child Care Association	99
Early Childhood Australia	565
ECO Buy Australia	2090
Economic Development Australia	400
Family Day Care Victoria	616
Genealogical Society of Victoria	35
Keep Australia Beautiful Victoria	1000
Kindergarten Parents Victoria	499
LeadWest	84,576
Local Government Finance Professionals Association	575
Local Government Professionals	1958
Meals Victoria	80
Municipal Association of Victoria	2585
National Child Care Accreditation Council	338
Parks & Leisure Australia	1155
Planning Institute of Australia	535
Playgroup Victoria	50
Post and Antenatal Depression	30
Revenue Management Association	270
Risk Management Institute of Australasia	45
School Crossing Victoria Inc	150
Safety Institute of Australia	140
Victorian Youth Mentoring Alliance	150
VLGA	24,475
Volunteering Victoria Inc	200
Western Melbourne Tourism Contribution	22,000

## Privacy Policy

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

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

## Community Engagement

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

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

Input and feedback are also sought from the community on an ongoing basis in regard to all the major strategies and policies developed and adopted by Melton Shire Council. This consultation is embedded in Council business agendas through the obligation to address the issue of community consultation in all reports and recommendations that come before Council for consideration.

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

## Freedom of Information

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

In 2011/2012, Melton Shire Council received eight requests for information under the Freedom of Information Act, the results of the applications are as follows:

Result of Access	Number of Requests
Access granted in full	7
Access granted in part	Nil
Access denied	Nil
Request withdrawn	Nil
Request closed (no response from applicant)	Nil
Requests still being processed as at 30 June 2012	1
Requests transferred to another agency	Nil
Total Number of Requests	8

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



## Information available for inspection

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

- Details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act
- Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contributions to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by Council.
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous twelve months, including the names of Council staff and the date, destination, purpose and total cost of the overseas and interstate travel
- Names of Council officers who were required to submit a Return of Interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted Returns of Interest during the financial year and the dates the returns were submitted
- Agendas for, and minutes of, ordinary and special meetings held in the previous twelve months kept under Section 93 of the Act except if the minutes relate to parts of special meetings which have been closed to members of the public under Section 89 of the Act
- A list of all special committees established by Council and the purpose for which each committee was established
- A list of all special committees established by Council which were abolished or ceased to function during the financial year
- Minutes of meetings of special committees established under Section 86 of the Act and held in the previous twelve months except if the minutes relate to parts of meetings closed to members of the public under Section 89 of the Act
- Applications for enrolment on the voters' roll under Section 12 and 13 of the Act for the immediate past roll and the next roll being prepared
- A register of delegations kept under Section 87, 88 and 98 of the Act
- Submissions received under Section 223 of the Act during the previous twelve months
- Agreements to establish regional corporations under Section 196 of the Act
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- A register of authorised officers appointed under Section 224 of the Act
- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies that have received a donation or grant and the amount of each donation or grant
- A list of the names of the organisation of which Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by Council
- A list of contracts valued at \$150,000 (or such higher amount as may be fixed by an Order in Council) which the Council entered into during the financial year without first engaging in a competitive process which are not contracts referred to in Section 186(5) of the Act
- Council Policies

## Whistleblowers Protection

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

### Statement of support to whistleblowers

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

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

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

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

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

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

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

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

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

## Domestic Animal Management Plan

Council adopted its Domestic Animal Management Plan in November 2008. Part of the document is an Action Plan, which sets out six key initiatives/objectives that Council will deliver on over the life of the plan. In some cases activities and initiatives will become ongoing across the life of the plan whilst in others they will have finite lives, aimed at achieving specific objectives. Key objectives addressed during the 2011/2012 from the plan were as follows:

- Objective 1:** Training and development - staff participated in manual handling and hazard identification training following a skills audit and attended all relevant regional and specific training opportunities during the year. A program to provide all officers with Cert IV - in Government (Statutory Compliance) and Animal Control & Regulation has continued. The vehicles have operated successfully during the year and continue to provide improved animal welfare and provide a more effective service.
- Objective 2:** Responsible pet ownership - Council's web page on animal management was updated during the year and work has commenced on a range of informative and educative brochures. Council participated in additional public events this year as a way of promoting responsible pet ownership including micro chipping programs. Council continued its animal registration doorknock throughout the Shire.
- Objective 3:** Identification and registration - Staff have identified all non micro chipped animals on its animal system and are establishing arrangements with suitable providers to develop a subsidised program to encourage animal identification.
- Objective 4:** Compliance with Legislation and Orders - Staff have sought preliminary advice of enforcing compulsory desexing and micro-chipping of all animals and are developing a strategy to outline a clear way forward in this matter. "Off Leash" sites were identified by staff and have now been established.
- Objective 5:** Domestic animal businesses – the officers have implemented the new program that has been developed to address the annual inspection of domestic businesses.
- Objective 6:** Declared dogs - Council has recently completed its inspection of all premises housing declared dogs.

Council expects that over the life of the plan there will be measurable improvements in animal welfare, responsible domestic animal ownership and compliance with relevant legislation. A new plan is currently being prepared for adoption by Council.



## National Competition Policy Compliance: 2011/2012

Melton Shire Council has an ongoing commitment to comply with the National Competition Policy (NCP) and Council remains obligated to adhere to competitive neutrality principles.

During the period 1 July 2011 to 30 June 2012 Melton Shire Council complied with the requirements of the National Competition Policy and did not receive any complaints in relation to Competitive Neutrality.

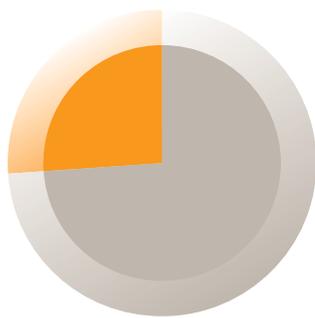


# Human Resources



## Equal Opportunity Requirements

### Gender of staff



74%  
Female

26%  
Male

Directorate	Female	Male
Office of Chief Executive & Organisational Development	11	5
Community Services	177	20
Corporate Services	70	21
Planning and Development	135	93

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

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of staff at 30 June	382	431	433	444	475	527
Resignations over year	40	45	51	42	46	66
Turnover Rate %	10.47%	10.44%	11.78	9.46%	9.68%	12.52%

## Structural Realignment

Council underwent a realignment of its organisational structure, effective August 2011. The purpose was to enable the organisation to continue managing the growth of the Shire effectively, and delivering high quality services to our community.

Corporate Services directorate has gained dedicated resources in Learning Communities, Compliance and Customer Engagement (including Governance). The functions previously handled by Administration have been dispersed to other service units, including Finance.

Planning and Development has gained resources in Capital Projects and Growth Areas. It also now includes Operations, which was previously known as Civil Contracts.

Other than the Operations move, Community Services was unchanged, as it was realigned in the 12 months prior.

Lastly, Organisational Development now reports directly to the Chief Executive.

## Industrial Relations

In 2011/2012 Council's three year Enterprise Agreement was in its second year.

- Organisational Development conducted five 'Know Your Award' road shows
- Council's leaders were informed and updated on employee entitlements
- Current and timely guidance has flowed onto all staff as a result.

## Occupational Health and Safety

Significant gains in OHS have been made in 2011/2012.

- Injury rates consistently down on previous years
- Leaders have participated in Local OHS Work Instruction coaching sessions
- The overall internal OHS audit result was above target
- 187 WorkHealth Checks were conducted with employees, with the results enabling the Health and Wellbeing group to focus on nutrition and activity
- Defibrillators were installed at the Seniors Community and Learning Centre at 1 McKenzie Street, and at the Men's Shed.

## Injury Management

Council's new Illness and Injury Management Policy became effective on 1 August 2011.

- Further opportunities and support offered to our injured or ill employees
- Increased numbers of staff accepted support offered through Council's Alternative Rehabilitation Program
- We had a reduction in the number of claims from 2010/2011 to 2011/2012.

## Risk Management

Council has significantly progressed on our risk management maturity journey this year.

- The organisation conducted an extensive internal consultation to identify 19 strategic risks
- Leaders are becoming more skilled in identifying their operational risks
- A comprehensive review of long-standing operational risks greatly refreshed our data
- Benchmarking was conducted with four other Councils.

## Leadership Development Program

All Managers and General Managers are currently participating in the Applied Management Colloquium which commenced in May 2012. The Colloquium aims to deliver a range of leadership skills through group sessions and individual coaching.

Council is continuing its other very successful development initiatives:

- Enrolling all new leaders in Stephen Covey's Seven Habits of Highly Effective People program
- Providing additional development programs such as Coaching Skills, Presentation Skills and Interview Techniques
- Offering Study Assistance to leaders who undertake undergraduate and postgraduate qualifications.

## Reward and Recognition Program

Council's STAR program rewards and recognises staff for their achievements, from the perspectives of loyal service or outstanding performance. This year 64 staff were recognised for their 5, 10, 15, 20, 25 or 30 years of service. 15 staff had outstanding performance recognised.

## Volunteers

Melton Shire Council has a growing team of volunteers who play an integral role in the delivery of Council services, programs and events. Volunteers have contributed their valued time, skills, knowledge and commitment throughout 2011/2012 to ensure that our community live healthy, happy, active and independent lives.

The table shows the significant contribution of volunteers. This report does not include volunteer members on Council committees and advisory groups.

Program Area	2011/12	PD Description / Role
Aged Care and Disability Programs at Melbacc	2	Assist with activities, craft, reading papers, talking, making cups of tea and chat.
Ageing Well	3	Promote healthy and active ageing across the Shire through exercise programs, and talks and promotions on Falls Prevention.
Art	17	Volunteers in delivering ArtBeat.
Events	90	Volunteers work at each of Council events throughout the year with services such as car parking, marshalling, information services and provision of food.
Environment	360	Melton Shire currently has 17 Environment (Friends/Landcare/bird watching/water-testing) groups run solely by volunteers. The majority of these groups participate in Clean up Australia Day each March and partner with local schools, kindergartens and churches. A total of 360 volunteers participated in Clean Up Australia Day in 2012. Environment groups organise planting, weeding, seed collection, organise local festivals (Platypus Festival) and publish local guides in various public areas of the Shire. The volunteers work with local scout groups and corporate volunteers from inside and outside the Shire. Many groups win State and Federal grants to assist with this work.
Family History Group	4	The Melton Family History Group volunteers every 1st and 3rd Wednesday of every month from 10am to 12noon to assist with related queries.
Food Services	2	Assist in food preparation, set up, packing and serving of meals.
Men's Shed	13	Shed Team Leaders supervise the delivery of programs and community projects at the Men's Shed. They support a safe, friendly and inclusive environment for men of all ages while promoting participation.
Neighbourhood House Program	22	Twenty volunteers who plan and run weekly playgroups. We have one volunteer offering admin support and one volunteer supporting our ballroom dancing class.
Planned Activity Groups	20	Volunteers assist with craft activities, exercise programs, making tea and coffees, morning tea, excursions and socialising with clients.
Visitor Information Centre	33	Volunteers at the Melton Visitor Information Centre assist with delivering a fully accredited and nationally recognised program of information service provision.
Volunteer Transport	8	Drive clients to medical appointments.
Home Library Services	10	Deliver books across the whole of Melton Shire to residents who otherwise would be unable to physically access the library.
Walking School Bus Program	12	Provides a safe, healthy and convenient way for children to travel to and from school. Each bus walks along a set route picking up children at designated stops along the way. The bus is supervised by volunteer parents who act as drivers and conductors.
Vision Talking Local Newspaper	4	Record and arrange for distribution, local newspapers for visually impaired residents.
Youth	46	Youth-led event programs that engage young people as volunteers include: Ignite Productions, Youth magazine editorial team and skate park consultation group. The mentoring project has 18 volunteers for school and community based one-to-one mentoring.

# Our Performance



## Report against the Council Plan 2009 – 2013

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

The 2011/2012 Action Plan contained 94 actions. As at 30 June 2012, of these actions 73 were achieved, 22 were not achieved. Of the 22 not achieved:

- 4 are expected to be completed during the first quarter 2012/2013
- 7 are expected to be completed during the second quarter 2012/2013
- 2 were postponed (for reasons out of our control)
- 8 to be completed by the end of third quarter 2012/2013

### KEY

-  achieved
-  not achieved

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community****Strategies**

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

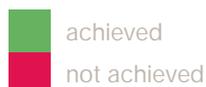
	Action	at 30 June 2012	Results
1	Implement 2011/2012 Municipal Early Years Action Plan		<p>Actions implemented by Children's services staff during the year included:</p> <ul style="list-style-type: none"> <li>• Establishment of the Melton Education and Care Network in partnership with Brimbank Melton Early Childhood Development Project.</li> <li>• Kindergarten Service Capacity Review</li> <li>• Viability of Maternal and Child Health Saturday sessions investigated and costed and trialled.</li> <li>• Early Year Partnership meeting endorsed the Municipal Early Years Action Plan evaluation document.</li> <li>• Presentation of the Municipal Early Years Plan information at Family and Children's Services, Early Education and Care and Transition to School Network meetings.</li> <li>• Consultation with other Council business units on planning, building and upgrading of services that children use.</li> <li>• Consultation with children framework document.</li> <li>• Indigenous representation now established on the Early Years Partnership.</li> <li>• Benchmarking commenced with other Councils to establish Communication strategies used with families.</li> </ul>
2	Municipal Public Health Plan 2008-2012		<p>Municipal Public Health Plan activities undertaken by the Community Planning team during 2011/2012 included:</p> <ul style="list-style-type: none"> <li>• Commencement of a new Community Wellbeing Officer position October 2011</li> <li>• Data mapping project completed, building evidence base in relation to community health and wellbeing.</li> <li>• Alcohol Risk Management Policy adopted by Council in November 2011</li> <li>• Though advocacy efforts received \$566,000 in commonwealth funds to address targeted local health issues and promotion</li> <li>• A social impact assessment tool developed for liquor licence applications</li> <li>• Family Violence and Child Abuse Prevention Forum held in May 2012</li> <li>• Strategy development commenced for Preventing Violence Against Women and Children, and Transport Connections</li> <li>• Healthy Communities program commenced delivering healthy eating, physical activity and health literacy programs addressing chronic disease, overweight and obesity.</li> </ul>
3	Opening Doors - Access and Inclusion Strategy 2008-2012		<p>Access and Inclusion Strategy activities undertaken by the Community Care and Inclusion team in 2011/2012 included:</p> <ul style="list-style-type: none"> <li>• Successful delivery of the Melton Carer's Expo</li> <li>• A collaborative approach to the Service Provider Network</li> <li>• Implementation of the Kick Start Program</li> <li>• Secured funding for HACC Volunteer Development Officer</li> <li>• Provision of positive behaviour practises</li> <li>• Provision of community information session</li> <li>• Participation in Western Regions Disability Committee Forum</li> <li>• Scooter recharge points extended throughout the municipality.</li> </ul>
4	Implement 2011/2012 actions from the Youth Strategy 2010-14		<p>Youth Services implemented the 2011/2012 actions, including:</p> <ul style="list-style-type: none"> <li>• Facilitation of the Melton Youth Advisory Network</li> <li>• Facilitation of community, recreational, music and skate events</li> <li>• Made contact on average with 200 young people each month</li> <li>• A geographic focused operational model implemented with opening of Taylors Hill Youth and Community Centre.</li> <li>• Community consultations occurred with Diggers Rest and Rockbank youth in May.</li> <li>• New Saturday Nights !!Live!! Alcohol free program initiated.</li> </ul>

## Our Performance

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community**

Action		at 30 June 2012	Results
5	Deliver integrated Family Support Services		<p>Family Services is funded by the Department of Human Services to deliver Integrated Family Services from Council offices. These service are:</p> <ul style="list-style-type: none"> <li>• Generalist counselling</li> <li>• Welfare casework</li> <li>• Financial assistance and advocacy</li> <li>• Crisis support</li> <li>• Parenting support</li> <li>• Facilitation of Parenting and Socio-educational groups</li> <li>• Secondary consultation to other services within and external to Council</li> </ul> <p>Family Services represents Council at local and regional forums, and convenes the Melton Family &amp; Children's Services Network and the Melton Family Violence Network.</p>
6	Food Service to provide centre based and delivered meals delivery to Home and Community Care clients		<p>The Regional Kitchen provides a variety of meals for Home and Community Care (HACC) eligible residents.</p> <p>This year there was a total of 22,458 centre-based and delivered meals provided by the regional kitchen.</p>
7	Deliver on the Reconciliation and Recognition Action Plan 2010-2014		<p>During the past 12 months the Community Development team:</p> <ul style="list-style-type: none"> <li>• Supported the Kirrip spring dance</li> <li>• Held NAIDOC week events and activities including the Flag Raising Ceremony, a Elders Lunch and Storytelling Forum</li> <li>• Reconciliation Week events included a Scar Tree acknowledgement, staff Aboriginal and Torres Strait Islander cultural awareness lunch.</li> </ul>
8	Deliver Council's program of events as outlined in the Events Strategy 2011-2015		<p>Council events held throughout the year included:</p> <ul style="list-style-type: none"> <li>• Djerrivarrh Festival in Melton Township</li> <li>• Lakeside Live event held in Caroline Springs</li> <li>• Diggers Rest's Magic Fair</li> <li>• Carols at Candlelight in Caroline Springs, Melton and Diggers Rest.</li> </ul>
9	Administer Council's Community Grants Programs		<p>The Community Funding Program team assessed 225 grant submissions. \$302,886.58 of funding was awarded.</p>
10	Implementation of Year one of Council's Open Space and Play Space Strategies	2	<p>The draft Open Space Strategy and draft Play Space Strategy were prepared in 2011. With the recent release of the Growth Corridor Plans and further Precinct Structure Plans there is a need for significant change to the draft strategies to ensure they are relevant to changing circumstances.</p> <p>Work has progressed through the preparation of draft project plan / discussion paper. An audit of Open Space strategies from other municipalities and establishment of an internal working group to oversee the process.</p> <p>Completion of the strategy is now expected by the June of 2013.</p>

## KEY



1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community**

	Action	at 30 June 2012	Results
11	Deliver Council's Public Art Capital Works Percentage for Arts Scheme		<p>This year the Public Art Capital Works Percentage for Arts Scheme funded The Link by artist David Cianci at Taylors Hill Youth Centre. Constructed of mild steel and stainless steel, The Link is a bold artwork that has been specifically designed to complement this active precinct.</p> <p>The Scheme also funded a child friendly interactive artwork (painting and sculpture) at Taylors Hill Kindergarten.</p> <p>Further public artworks have been commissioned for the new Melton Library and Learning Hub, and the Arnolds Creek Maternal and Child Health Centre.</p>
12	Annual Senior Festival Dinner Dance at Melton Community Hall		166 elderly residents attended Council's annual Senior Festival Dinner Dance on 12 October 2011. Tony Pantano provided a unique and classical style of entertainment for the event.
13	Support men's health through Men's Shed activities and initiatives		A range of structured and unstructured programs were delivered from the Men's Shed including Woodworking, cooking, DIY, gardening, Community Projects, Bike riding and Health Forums.
14	Offer a range of Planned Activity Groups in different locations throughout the shire		Planned Activity Groups Program facilitated centre and community based programs including Group Meals Program, Adults Recreation Program and interest based programs such as Hydrotherapy and Art Appreciation.
15	Implement the Community Learning Plan for 2011-2014 to improve learning and education outcomes for residents and businesses		<p>Each term Council published a Community Learning Directory listing a wide variety of courses and training available within the Shire.</p> <p>The Learning Communities team conducted a Community Learning Board seminar on Various Abilities Pathways Project and held a stakeholder forum with 26 organisations and 50 people attending.</p>
16	Manage family day care service care providers		<p>Family day care is home based childcare service provided by educators. It provides affordable access to childcare for working parents.</p> <p>Council's family day care team recruit, train, register, support and monitor family day care educators throughout the Shire.</p> <p>Currently there are 41 day care educators within the Shire caring for 468 children.</p>

**KEY**

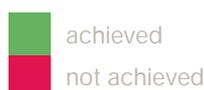
1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community**

	Action	at 30 June 2012	Results
17	Provide occasional-care service		Council delivers 14 occasional-care sessions a week across the Shire providing 330 places.  Sessions are offered from Springside Children's and Community centre, Parkwood Green Children's and Community centre, Creekside Children's and Community centre and Melton Central Children's centre.
18	Provide an early childhood intervention service to the Melton Community		Council provided an Early childhood intervention service to 44 children during the past year. A trans-disciplinary key worker is allocated to a family at the beginning of service delivery and provides all or most of the Early Childhood Intervention Service. The key worker is supported by colleagues from a range of disciplines such as education, occupational therapy, physiotherapy, psychology and speech pathology. The key worker approach focuses on the strengths of both the family and child and works in partnership with the family to address their needs and goals. The service delivery occurs in the child's natural environments such as the home, kindergarten, child care as well as in recreational settings.  The preschool field officer program is available when children experience any difficulty in kindergarten, such as challenging behaviours, social or emotional difficulties, or are delayed in any area of their development. Council's preschool field officer supported 75 children during the year.  Signposts parenting groups were provided to assist parents manage the behaviour of children with additional needs.  Behaviour Management training delivered to Early Childhood educators throughout the Shire.
19	Develop and implement Council's 2011-15 Arts Strategy		Council adopted the 2011-15 Arts Strategy on 11 August 2011.  Arts activities and events delivered during the year included: <ul style="list-style-type: none"> <li>• Woolly trees exhibition in Melton</li> <li>• Surin Project and Retro Pop Exhibitions in Caroline Springs Library</li> <li>• Public art commissions</li> <li>• Artist in residency program implemented</li> <li>• New Arts Cultural Collection Civic Memorabilia Policy and procedures</li> </ul>
20	Provide respite care at MELBACC House for frail aged and people with disabilities		MELBACC House is a respite care facility for frail aged and people with disabilities operated by Council and funded by the Department of Human Services.
21	Deliver Home and Community Care (HACC) Service Delivery for the municipality		Council's Home and Community Care team provided the following services during the year: <ul style="list-style-type: none"> <li>• Assessments for HACC programs per eligible client</li> <li>• Home care</li> <li>• Personal care</li> <li>• Property maintenance</li> <li>• Home meal delivery service.</li> </ul>

## KEY



1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community**

	Action	at 30 June 2012	Results
22	Implement Council's Community Safety Plan		<p>The Police Community Consultative Committee met on eight occasions to discuss community safety issues, road safety, and prevention of crime and management of the perceptions of safety.</p> <p>The Police Community Consultative Committee held three public forums to provide the opportunity for community members to discuss their concerns, express ideas and to learn about police and Council activities.</p> <p>The review of Community Safety Plan has commenced.</p> <p>In October a Community Safety Day was held a Caroline Springs shopping centre. All local emergency services were represented.</p>
23	Report to Council on the outcomes of the Road2Zero Action Plan 2009-11		<p>Some of the outcomes delivered this year were:</p> <ul style="list-style-type: none"> <li>• Community Road Safety Forums</li> <li>• Hoon Hotline promotion</li> <li>• Fit to Drive</li> <li>• Keys please sessions that support learners as they embark on getting their Ls</li> <li>• Road safety around primary schools</li> <li>• Promote active travel as a prefer mode of transport</li> <li>• Looking after our mates, targeting schools and clubs</li> <li>• Increased the car safety rating in the Motor Vehicle Policy.</li> <li>• 28 Early Years road safety presentations delivered to a total of 240 parents. This included a session presented to the Sudanese Community.</li> <li>• Road safety sessions for senior drivers</li> </ul>
24	Develop Road2Zero Action Plan 2012-16	1	Brainstorming session held, previous actions reviewed and draft Action plan developed. The Plan will be finalised by August 2012.
25	Develop Public Lighting Guidelines	2	<p>Research and consultation undertaken and a draft policy developed.</p> <p>It is anticipated that the Guidelines will be presented to Council by the end of 2012.</p>
26	Deliver financial assistance to vulnerable residents as per agreement with Commonwealth.		Council provided Emergency Relief Assistance to vulnerable families.
27	Develop a Staff Health and Wellbeing Strategy 2012-2015	1	<p>This year the Organisational Development team instigated the following staff Health and Wellbeing activities:</p> <ul style="list-style-type: none"> <li>• Breast Screening Awareness Program for staff 40 years and older</li> <li>• Corporate Challenge which involves staff participating in daily physical activity over a four month period and recording their daily steps each day. 133 employees in 19 teams are participating</li> <li>• The Strategy is expected to be finalised by 30 September 2012.</li> </ul>

**KEY**

	achieved
	not achieved

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community**

	Action	at 30 June 2012	Results
28	Promote reading culture throughout Melton Shire		<p>Activities delivered through Councils libraries over the past year included:</p> <ul style="list-style-type: none"> <li>• Special Christmas story times</li> <li>• Visits from Primary schools to the library to participate in activities</li> <li>• Awards presentation of the Melton Short Story competition</li> <li>• Author talks at both Melton and Caroline Springs libraries including award winning author John Marsden (at both libraries)</li> <li>• Promotion of the National Year of Reading with a successful launch with our ambassador Archie Fusillo and the Mayor</li> <li>• A systematic program of encouraging school visitations has also been successfully implemented</li> <li>• Family Fun Reading day</li> <li>• Workshops by author Archie Fusillo</li> <li>• Instigation of the Saturday story times have been hugely popular as well as the evening story times</li> <li>• Launch of the Macedonian Collection</li> </ul>
29	Deliver Transport Connections Program to link disadvantaged residents with local transport		<p>Over the last 12 months the Transport Connections Program delivered:</p> <ul style="list-style-type: none"> <li>• Public transport information on stands in key locations across the Shire</li> <li>• Distribution of pens promoting transport usage and safety</li> <li>• Quarterly Connecting Communities newsletter distributed via community networks.</li> <li>• Bimonthly Connecting Communities steering committee meetings</li> <li>• In partnerships with Councils Capital Projects team installed bike parking shelters in four locations in the Shire</li> <li>• Developed and distribution of Local Transport Guide occurred.</li> <li>• Reported to DPCD regarding project outcomes and progress</li> </ul> <p>Officers received funding through DPCD Innovation Fund application for Carpool project valued at \$75,000.</p>
30	Review existing and develop new Gaming Strategy to clarify Councils position for planning purposes	4	As the Western Region Councils' collective review Gaming Policies will be conducted in 2013, this project has been rolled over to the 2012/2013 to ensure consistency and best practise on policy within Melbourne West.

## KEY



1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 1:****Community Health and Wellbeing: Improve health and wellbeing for our diverse community****Objective 1: Strategic Indicators Results****1a Healthy, safe and inclusive communities**

- 100% of 2011/2012 Municipal Early Years Action Plan actions implemented
- 100% Municipal Public Health Plan 2009-2012 of strategies implemented
- 100% of Opening Doors - Access and Inclusion Strategy 2008-2012 strategies implemented
- 100% of 2011/2012 actions from the Youth Strategy 2010-14 implemented
- 1867 hours of Family Support Service delivered to the community
- 100% of Council's Open Space and Play Space year one Strategies implemented
- 29,397 hours of respite hours provided at MELBAC House
- One community safety days conducted
- Two Police Community Consultative Committee public forums held
- Eight Police Community Consultative Committee meetings held
- Road 2 Zero Action Plan target timeframes were met

**1b Culturally rich and vibrant communities**

- One indigenous forum hosted
- Three indigenous events held
- 89% of Council events delivered within budget
- 69% of returned evaluations rated over 7/10 for Council Events
- 225 of Community Grants Programs grant submissions received
- \$302,000 awarded through Council's Community Grants Programs
- \$280,000 of Public Art Capital Works Percentage for Arts Scheme dollars raised
- Four public art commissions
- 166 people attending Senior Festival Dinner Dance at Melton Community Hall
- 228 of Men's Shed programs / activities
- On average 14 men visited the Men's Shed each day
- 2012-15 Arts Strategy adopted by Council

**1c Accessibility to services provided by Council**

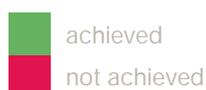
- 22,458 of meals delivered to centre based and HACC clients
- 11,140 hours of Planned Activity Groups core hours delivered
- 16,556 of Planned Activity Groups high support clients hours delivered
- 41 family day care providers
- 468 children in family day care
- 330 in occasional care places
- 14 occasional-care sessions per week
- 38 children received early childhood intervention service
- 25 of frail aged clients at MELBAC House
- 86 disabled clients at MELBAC House
- 284 on waiting list (urgent and non urgent) - Home and Community Care (HACC)
- 1,316 receiving HACC service
- 18187 of HACC hours of home care delivered
- 8696 of HACC Personal care hours delivered
- 1885 of HACC property maintenance hours delivered
- Average waiting time for assessments for HACC programs per eligible client was 2.25. Urgent cases were responded to within 1-2 days
- \$247,038 of Commonwealth funding delivered to vulnerable residents as per agreement with Commonwealth
- Average Activity rate of active registered library borrowers (loans per member) 17.4
- On average 3.4 of (physical) visits to the Library per capita
- 104,478 of website hits (every unique visit) per capita to the Library website
- 21159 people attendance at reading related activities
- 100% of Transport Connections Program funding agreement activity completed
- Three weekly English as a Second Language (ESL) classes within the Shire

## Our Performance

**Objective 2:****Environment: Protecting and enhancing our environment****Strategies**

- 2.1 Encourage and promote sustainable living
- 2.2 Protect and enhance our natural environment and cultural heritage
- 2.3 Enhance the quality of urban and natural environments
- 2.4 Provide services and infrastructure that are environmentally sustainable

	Action	at 30 June 2012	Results
31	Reduce Council's Carbon footprint through the Implementation of Council's Greenhouse Action Plan		The Green team met on several occasions during the year to implement actions to reduce emissions within Council buildings.  Actions included: <ul style="list-style-type: none"> <li>• Implementation of energy efficient initiatives in the design of Council's new Library and Learning Hub and the Springside community pavilion.</li> <li>• New Melton Library to be designed and constructed as a 5 Star Greenstar building. This is the first building of its type in western region of Melbourne and the 5 star Greenstar rating is considered to be Australian best practice. An Ecologically Sustainable Development (ESD) consultant engaged on the project. ESD considered in tender specifications as per GreenStar requirements.</li> </ul>
32	Implement Council's Environmental Enhancement Program to assist rural landowners to deal with weeds on their properties		Environmental Enhancement Program was implemented with 95% of landholders awarded a Council rebate for participating in the program.
33	Develop Water Sensitive Urban Design Policy	1	The Water Sensitive Urban Design Policy has been drafted and is expected to be finalised by September 2012.
34	Deliver Council's fire prevention program		All vacant urban properties were inspected during the year. 1043 properties were issued notices. 208 properties did not comply with notice.  Roadside slashing program was undertaken and strategic fire breaks established.
35	Prepare a Municipal Retail and Activity Centre Strategy	4	Completion of the strategy has been delayed pending approval of the Growth Corridor Plans and is now expected to be completed by the end of 2012/2013.
36	Finalise the Dry Stone Study and incorporate into the Planning Scheme	4	The Dry Stone Wall Study was adopted by Council, however Council cannot proceed to Planning Scheme Amendment state until the sign off from the Department of Planning Community Development has been received.
37	Prepare Industrial Development Guidelines	2	Analysis of all existing industrial areas was undertaken and draft Industrial Development Guidelines drafted. The Guidelines are expected to be finalised by the end of 2012.

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 2:****Environment: Protecting and enhancing our environment**

	Action	at 30 June 2012	Results
38	Prepare a Municipal Framework and new Municipal Strategic Statement	4	<p>A review of the Framework was undertaken to identifying deficiencies in the current Planning Scheme.</p> <p>Given recent changes with the introduction of the Growth Corridor Plan and the expansion of the Urban Growth Boundary, it is considered appropriate to firstly comprehensively review the Planning Scheme prior to preparing a new MSS.</p>
39	Work in partnership with the Growth Areas Authority to prepare new Precinct Structure Plans		<p>Precinct Structure Plans were placed on public exhibition for Rockbank North, Diggers Rest and Toolern Park during the year.</p> <p>Precinct Structure Plans for Rockbank North and Diggers were approved and incorporated into the Planning Scheme.</p>
40	Ensure that Council meets or exceeds state Towards Zero Waste diversion targets		<p>Council continued to provide kerbside rubbish services for hard waste, recycled and organics waste.</p>
41	Backflow prevention device installations and checks		<p>This project involves locating current Backflow Prevention Devices, identifying sites that require backflow prevention devices, testing all backflow prevention devices and installing backflow prevention devices on high/medium risk sites.</p> <p>All Open Space water main connections were audited and tested. Required repairs and upgrades identified and systematically taking place based on risk.</p> <p>Further upgrade works identified during audit and test process that could not be facilitated within project budget will take place in the 2012/2013 financial year to ensure compliance. This future work includes installations of new devices and decommissioning of surplus supplies.</p>

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 2:****Environment: Protecting and enhancing our environment****Objective 2: Strategic Indicators Results****2a Reduction of carbon footprint for future generations (e.g. Reduction in landfill, water usage, littering per annum)**

- Maintain diversion rates for landfill above 52%
- Annual residential waste generation 520kg per residential assessment
- 43% of annual residential kerbside waste recycling
- 57% of annual residential kerbside waste landfill

**2b Responsible natural resource management (e.g. natural reserves, water and energy conservation)**

- 100% of vacant urban land inspected as part of Council's fire prevention program)
- 70 % legislative requirements met for backflow prevention device installations and checks

**2c Environmental protection and enhancement**

- 95% of landholders who retain their rebate via the Environmental Enhancement Program
- Environmental education program made 320 contacts within the community members, environmental organisations and schools



**Objective 3:****Business and Employment: Increasing business and employment opportunities****Strategies**

- 3.1 Identify and attract new investment opportunities
- 3.2 Develop and support existing businesses
- 3.3 Encourage local skill development and local employment opportunities
- 3.4 Identify requirements for future growth in business

	Action	at 30 June 2012	Results
42	Implement the Melton Buy Local Campaign		<p>The Buy Local Campaign was launched in May 2012. The Program is being rolled out in partnership with Greater Melton Chamber of Commerce.</p> <p>Over 700 local businesses currently registered on Councils Buy Local database.</p> <p>400 customer surveys completed across four locations across the Shire.</p> <p>Business Expos were held at the Djerrivarrh Festival and Lakeside Live Festival provided the opportunity for more than 40 businesses to participate in Buy Local Campaign.</p>
43	Conduct annual Business Excellence Awards		<p>Council's Business Excellence Awards ceremony was held on 26 April 2012. It was attended by over 250 delegates. Feedback was very positive.</p>
44	Deliver a series of training workshops for small business throughout the year		<p>The Economic Development team ran a series of workshops and events for small business including:</p> <ul style="list-style-type: none"> <li>• The Price is Right</li> <li>• Marketing for Growth</li> <li>• Small Business Expo Information Session</li> <li>• Getting Business Organised</li> <li>• E-Commerce Group Training</li> <li>• Networking Business Breakfasts.</li> </ul>
45	Implement the Economic Development Strategy		<p>Ongoing implementation of actions contained within the Economic Development Strategy undertaken throughout the year. These actions included:</p> <ul style="list-style-type: none"> <li>• Representations on local and regional economic development committees</li> <li>• Funding applications for initiatives to improve access to local employment</li> <li>• Advocacy to other tiers of government</li> <li>• Ensuring land availability and promotion of the Shire as a place to do business.</li> <li>• Training sessions held to support and develop local businesses.</li> </ul>

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 3:****Business and Employment: Increasing business and employment opportunities****Objective 3: Strategic Indicators results****3a Provision of training opportunities**

- 11 small business training workshops held
- 3 food handling workshops held
- 3 responsible servicing of alcohol workshops held

**3b Business development (e.g. new business and growth of existing business)**

- 45 businesses registered for the Melton Buy Local Campaign program
- 37 of Business Excellence Awards entrants

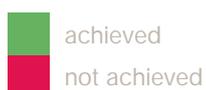
*Winners of the Powercor Shire of Melton Business of the Year Award*



**Objective 4:****Managing Growth: Ensure our fast growth is well planned and managed, and infrastructure is well maintained****Strategies**

- 4.1 Proactively consult, plan, build, maintain and upgrade assets
- 4.2 Advocate for a range of housing choices to offer lifestyle options
- 4.3 Advocate for and further integrate and improve the transport network within the municipality
- 4.4 Provide access to quality infrastructure and services

	Action	at 30 June 2012	Results
46	Maintain Road Assets in accordance with Council's Road Asset Management Plan (RAMP) stage 2		Customer satisfaction survey results maintained. Maintained a high level of Road Asset Management Plan compliance.
47	Commence Stage 1 of the construction of the Melton Library Learning Centre		<ul style="list-style-type: none"> <li>• Melton library relocated to Victoria University site.</li> <li>• Existing library and green shed demolished.</li> <li>• Contract awarded for new Melton Library and Learning Hub at a Special Meeting of Council on 22 December 2011.</li> <li>• Work commenced on the construction of the library in February 2012.</li> <li>• Construction works are proceeding in accordance with the Contractors program. The current completion date is 8 April 2013.</li> </ul>
48	Open the Taylors Hill Youth and Community Centre		<ul style="list-style-type: none"> <li>• Centre officially opened on 18 May, 2012</li> <li>• Programs have commenced at the centre across Youth Services Community Development and Family Services.</li> </ul>
49	Construction of the Springside Community Pavilion		Construction of the Springside Community Pavilion was completed in January 2012. The pavilion was officially opened on 21 March 2012.
50	Develop Asset Management Plan for Open space	2	Document still being developed. Expected to be completed by December 2012.
51	Develop Asset Management Plan for Buildings	2	Document still being developed. Expected to be completed by December 2012.
52	Develop Asset Management Plan for Drainage	2	Document will be developed after completion of Building Asset Management Plan and Asset Management Plan for Open Space by December 2012.
53	Deliver of two district level play spaces at Navan Park and Burnside Heights Reserves.		Navan Park play space was completed in January 2012. Burnside Heights play space was completed in June 2012.

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 4:**

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

	Action	at 30 June 2012	Results
54	Support Growth Areas Authority in the development of an Urban Design Framework for the Major Activity Centre at Toolern	4	Urban Design Framework has been prepared. The Toolern UDF has been completed and is to be adopted by Council in the near future GAA are leading the process and have extended the program.
55	Burnside Heights Recreation Design and Documentation		Design and documentation of the Burnside Heights multi sports cube facility is complete. Construction will be completed in July 2012
56	Maintain Councils 20 year Capital Works Plan		Council's 20 year Community Infrastructure Plan 2011-2031 report was tabled at Council's May 2011 meeting. The Plan is currently being reviewed and updated accordingly by the Manager, Community Planning and Manager, Leisure & Facilities to ensure the plan is up-to-date. Relevant managers are assisting with the review.
57	Car park sealing and fences installation at Ian Cowie Reserve		The scope of works was reduced to fencing due to budget allocation. The fencing installation was completed.
58	Review and develop a plan to increase the availability of social housing and affordable housing in the municipality	2	Consultation on the draft Plan occurred with Lend Lease. Communities through Council's Joint Venture in Atherstone development. The Plan will be presented to Executive for direction in late 2012.
59	Develop the Green Wedge Management Plan to guide future planning decisions for the Shires rural areas	4	A scoping paper was developed for the preparation of the Plan. The Green Wedge Plan is still being developed and is expected to be completed during 2012/2013.

## KEY

	achieved
	not achieved

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 4:**

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

## Objective 4: Strategic Indicator Results

### 4a Sustainable built and natural environment

- Road Asset Management Plan audit results increased to 99.7%
- Precinct Structure Plans incorporated in the planning scheme
- Annual review of Councils 20 year Capital Works Plan conducted and approved by Council 5 May 2012

### 4b Enhancements to assets and service delivery

- Car park sealing and fence installation at Ian Cowie Reserve completed and within budget

### 4c Accessibility to community infrastructure provided by Council

- Commencement of program delivery from the new Taylors Hill Youth and Community Centre in May 2012
- Completed Burnside Heights CYAN Design and Documentation approved by Council in November 2012

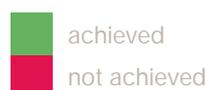


## Our Performance

**Objective 5:****Leadership: Leading the organisation and the community through accountability, transparency and advocacy****Strategies**

- 5.1 Practice good governance, social, economic and environmental responsibility
- 5.2 Provide clear direction and build organisational alignment
- 5.3 Develop excellent service delivery based on a culture of continual improvement, innovation and learning
- 5.4 Advocate to the State and Federal governments and to other service providers on behalf of our community

	Action	at 30 June 2012	Results
60	Swimming Pool Barrier Maintenance Audit Program		This is an ongoing program which is proposed to be reviewed during the next financial year.
61	Audit Maintenance program for Safety Features in buildings		This is an ongoing program which did not achieve the targets proposed for the year due to impacts from the organisation realignment. The targets for next year have been adjusted to incorporate those not done this year.
62	Development Council's Building Emergency Management Policy	3	New management determined that there was no need for this policy as the audit program is the policy position of Council for the management of public buildings.
63	Implement the new Work Health and Safety legislation	3	The new Victorian government announced it will not be amending the Occupational Health and Safety laws in line with national harmonisation.
64	Implement new Risk Management Framework and Strategy		A Training calendar was developed and benchmarking with other Councils conducted. 10 risks identified Work in progress with Executive to identify strategic risks A vulnerability model was developed to the Executive to identify Strategic risks On line Risk Register upgraded Framework and Strategy approved by Executive
65	Implement Essential Service Commission's Local Government Performance Monitoring Framework		All the data was collected as specified in the Essential Service Commission's Local Government Performance Monitoring Framework. Following the change of government following the Victorian election in 2011, the Essential Services Commission advised it had been unstructured not to proceed with the Local Government Services Report for 2010-11. Local Government Victoria has been tasked with the development of a Performance Monitoring Framework for Local government in 2012/2013.
66	Implementation of Municipal Emergency Management Plan and Recovery Plan		Municipal Emergency Management Plan Audit completed and audit report completed by SES. Successful audit completed by independent audit panel and audit certificate issued 29 November 2011.

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 5:****Leadership: Leading the organisation and the community through accountability, transparency and advocacy**

	Action	at 30 June 2012	Results
67	Compliance with Electricity Safety Regulations		Line clearance plan was developed and submitted to Energy Safe Victoria in accordance with regulations.
68	Assist the Victorian State Government with maintenance of the state-wide property information database		Property data was supplied to Department of Sustainability and Environment to generate Property Identifier Quality Audit report.
69	Provide a information management governance service to the organisation to ensure its adherence to record keeping requirements	 1	Compliance auditing has been deferred until the establishment of an Enterprise Content Management Framework for Local Government. The Enterprise Content Management Strategy expected to be completed by August 2012. The strategy will proceed following the establishment of a compliance auditing programme scheduled to commence in 2012/2013.
70	Conduct food inspections of food premise within the Shire		Council inspected all food premises within the Shire during the year to ensure food safety standards applied.
71	Administer Council's Capital Works Budget		Small value projects completed. Major projects are behind schedule due to a number of reasons as outline in the Third Quarter Capital Works Audit Committee report. At year end 73% of the Capital works budget was spent. The unspent amount will be carried forward to 2012/2013 year for completion.
72	Meet all finance statutory requirements		Financial Statements were submitted by 30 September 2011 in accordance with Local Government Act. The Grant Commission Return was lodged before the due date in October. Fringe benefit tax instalment paid on time. Rate notices, BAS returns, Grants Commission returns, Audited accounts all completed in accordance with statutory requirements.

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

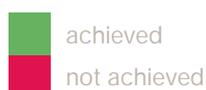
## Our Performance

**Objective 5:**

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

	Action	at 30 June 2012	Results
73	Administer rate collection		Council collected \$67,784,408.58 in rates in 2011/2012. 99% rates due were received with 96% of rates paid on time.
74	Prepare for the 2012 Council elections		An audit of 2008 Councillor Induction process was undertaken. Executive agreement of proposed revisions, engagement with Organisational Development to align with standard process, dates identified.
75	Process planning applications within statutory timeframes and Melton land use regulations		94 days was the median processing time for planning applications this year. 92% of planning applications were completed within the statutory timeframe.
76	Develop Corporate Performance Management Strategy for 2011-2014		The Strategy was adopted by the Executive Team to integrate with Victorian government requirements.  A new Integrated Planning Framework developed. Performance measurement, performance management systems and processes development underway.
77	Develop and implement a Equity and Diversity Strategy for staff		The Equity and Diversity Strategy and 2012/2013 Action Plan was developed by Organisation Development team with input from the Equity and Diversity Reference Group. The Strategy and Action Plan was adopted by the Executive in June 2012.
78	Deliver Council's Business Continuity Plan		A Corporate Business Continuity Plan was developed and adopted by the Executives management team.  The plan has since been implemented throughout the organisation.
79	Test Council's information technology system for preparedness in the event of a disaster		Information Services conducted a disaster recovery test of Council's email system in February 2012. The outcome and recommendations were reported to the Executive Management Team for consideration.
80	Provide a quality customer service to our community		Council continues to strive to deliver a quality customer service to the community.  On average incoming telephone calls were answered within 97 seconds and 71% of customer enquiries were resolved on first call.

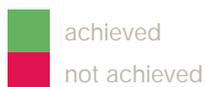
## KEY



1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 5:****Leadership: Leading the organisation and the community through accountability, transparency and advocacy**

	Action	at 30 June 2012	Results
81	Introduction of in-house legal service		Council's new Legal Officer commenced October 2011. By closely monitoring legal files, closing off old files and limiting the time spent on each project Council reduced its legal expenditure by 30% compared to the previous twelve months.
82	Re design and rejuvenation of Council's website		The Content Management System was completed for launch on 20 July 2012.
83	Advocate for additional HACC funding to meet growing service delivery		Council received \$308,043 in HACC funding during the year from the Department of Health totalling. This was an increase of 10% from the previous financial year.
84	Participate in Strategic Health Forums		Council participated in seven Strategic Health Forums during the year. An Advocacy Plan was developed to attract General Practitioners to the Shire. Study on "Health needs of expanding population" commenced.

**KEY**

1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 5:****Leadership: Leading the organisation and the community through accountability, transparency and advocacy****Objective 5: Strategic Indicators results****5a Compliance with legislative requirements**

- Municipal Emergency Management Plan and Recovery Plan 100% compliant as assessed by SES audit
- Line Clearance Plan submitted within the timeframe required under the Electricity Safety Regulations
- 100% of registered class 1 food premises that underwent an annual food safety assessment by Council
- 100% of purchases that comply with Councils Procurement Policy
- Equity and Diversity Action Plan for staff adopted by Executive
- 100% of internal auditors recommendations met for Business Continuity
- 81% of risk mitigation actions completed

**5b Good governance practices**

- 73% of Annual Capital Budget spent within the year
- 100% compliance with the Local government act and regulations, and the Valuation Land Act
- Disaster recovery test of email system conducted and recommendations reported

**5c Effective and efficient systems and processes**

- \$67,784,408.58 of rate revenue collected representing 99% of \$68,000,000 due
- 96% of rates received on time
- 90% of planning applications completed within statutory timeframe (60 days)
- Median processing days (gross days) for planning applications was 94 days
- Average time taken (in seconds) to answer telephone call enquiries was 39 Seconds
- 71% of customer service enquiries resolved on first call
- 97% of Council property information match rate with that of the Department of Sustainability and Environment

**5d Resourced by both State and Federal governments**

- 30% reduction in Councils Legal Service costs from previous 12 months
- 10% increase in HACC funding from previous financial year

**5e Community confident to have issues raised and addressed**

- Community customer satisfaction results maintained for Road Asset Management
- Strategic Health Forums outcomes of advocacy reported to Council
- New content management system for Council's website delivered

**Objective 6:****Community Engagement: Foster a well-connected and engaged community****Strategies**

- 6.1 Consult and involve the community to provide responsive, high quality services and facilities  
 6.2 Enhance volunteering and leadership within the community  
 6.3 Build strong, productive relations to encourage the sharing of knowledge  
 6.4 Ensure that all groups have an equal opportunity to participate and be involved

	Action	at 30 June 2012	Results
85	Deliver the annual Youth Consultative Forum to inform the review of the Youth Strategy		Youth Services' e-forum on bullying conducted during June to July 2012 online e-forum forum initiated in June. Participation rate to be confirmed at end of July when e-forum concludes. 116 Young People visited the E-Forum site. 49 of who made comments on the site. 3 of them completed surveys. 37 participants for the 2012/2013 e-forum.
86	Maintain active volunteer network at the Melton Visitor Centre		Active group of volunteers engaged at Visitor Information Centre. Two familiarisation tours facilitated by Council officers. Two community events were assisted by volunteers. At year end there were 37 volunteers participating in roster for Melton Visitor Centre.
87	Build Community Leadership capabilities via workshops, meetings, newsletters and forums for the leisure and recreation community		During the year 298 Community members attended workshops and training sessions conducted Council's Leisure services team. These included <ul style="list-style-type: none"> <li>• Three Safe Food Handling Workshops</li> <li>• One Grant submission Workshop</li> <li>• Three Responsible Service of Alcohol</li> </ul> In additional there was Club Manual Launch and three newsletters published and distributed.
88	Coordinate volunteers for HACC food service, respite care, men's shed and planned activity groups		Volunteers continue to support Community Care and Inclusion programs. Planned Activity Group volunteers were recognised during Volunteer week in October 2011. Council received growth funding to appoint HACC Volunteer Development Officer who commenced on 9 January 2012. Councils' Volunteer Policy and procedures were revised and endorsed by Council in June 2012. Received additional funding from the Department of Health to increase HACC Volunteer Development Officer from 19 hours a week to full time.
89	Coordinate the volunteer transport service for HACC eligible clients		Delivered volunteer transport (transport to medical appointments) service to eligible HACC clients. Ten active volunteers provided 655 hours of volunteer transport service during the year.
90	Deliver Council's environmental education program to enhance our community's understanding of environmental issues		Council's Environmental Education program continues to develop and maintain strong relationships with schools and community groups, supporting strong community participation. The Program provides an on-going environmental education to schools, community and friends groups throughout the Shire. Four grants provided through environmental grants program to eligible groups.

**KEY**

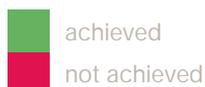
1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

## Our Performance

**Objective 6:****Community Engagement: Foster a well-connected and engaged community**

	Action	at 30 June 2012	Results
91	Implement Council's Intercultural Strategy		<p>Conducted a bus tour for CALD Advisory Committee of the municipality.</p> <p>Held multicultural resources launch at the Caroline Springs Library.</p> <p>Provided CALD training resources for Customer Service Staff (DVD, posters).</p> <p>Funding submissions submitted to the Department of Immigration and Citizenship, and Victorian Multicultural Commission.</p> <p>Cultural and Linguistically Diverse (CALD) communities profile developed and reported to Council in July 2012.</p> <p>Meetings held of the CALD Advisory Committee.</p> <p>Language Services Policy and Procedures drafted.</p> <p>Intercultural awareness training of frontline staff to occur in March 2012. 23 of 34 identified staff were trained (68%). Trained 25 council officers from across council in the use Interpreters services.</p> <p>Well attended Harmony Day Event held in March in Caroline Springs.</p> <p>There are three ESL classes per week within the Shire.</p>
92	Keep the Melton Community informed of Council works and activities		<p>Council keeps the community informed of Council initiatives and activities in quarterly Council newsletters (Sep, Dec, Mar, June) distributed Shire wide and fortnightly updates in local papers.</p>
93	Support the Youth Advisory Committee to advocate for young people about issues affecting them		<p>The Youth Advisory Committee (YAC) oversaw the e-forum on bullying conducted in June-July.</p> <p>YAC members attended the Mayoral Ball at the invitation of the Mayor and Councillors.</p> <p>YAC hosted a presentation by the Wyndham Legal Service on rights of young people.</p> <p>Annual YAC Awards celebration was hosted in April with 23 young people receiving awards, and over 100 community members in attendance.</p> <p>191 young people participated in YAC for the year.</p>
94	Lead and participate in the Melton Youth Advisory Network for the local youth sector		<p>197 young people attended 8 network meetings during the year.</p> <p>At the November 2011 meeting Melton Youth Advisory Network reviewed the past year and prepared a schedule of professional development for 2012.</p>

## KEY



1. Expected to be completed achieved by 30 September 2012
2. Expected to completed achieved by 30 December 2012
3. Postponed/cancelled - will not be done
4. Will be completed achieved by 30 June 2013

**Objective 6:****Community Engagement: Foster a well-connected and engaged community****Objective 6: Strategic Indicators results****6a Democratic and engaged communities**

- 37 participants in annual Youth Consultative Forum
- 37 active volunteers base run the Melton Visitor Centre
- Community Leadership capabilities training sessions
- 3 leisure and recreation community newsletters
- 68% of Council frontline staff trained in cultural diversity
- Four Moving Ahead newsletters published
- 15 Youth Advisory Committee members
- On average 25 of Melton Youth Advisory Network participants per meeting

**6b Increase in volunteers in Council programs**

- 2 food service volunteers
- 13 Men's Shed volunteers
- 15 Planned Activity Group volunteers
- 10 Community transport volunteers provided 655 transport service hours



## Victorian Local Government Indicators

Year ended 30 June 2012

Category	Indicators	2009/2010	2010/2011	2011/2012
All Rates	Average rates and charges per assessment	1,305	1,382	1,502
Residential Rates	Average residential rates and charges per assessment	1,214	1,286	1,370
Operating Costs	Average operating expenditure per assessment	2,205	2,202	2,430
Capital Expenditure	Average capital expenditure per assessment	336	409	759
Infrastructure	Renewal	52%	41%	46%
	Renewal & maintenance	55%	61%	74%
Debts	Average liabilities per assessment	1,149	1,048	1,094
Operating Result	Operating result per assessment	1,249	1,341	1,050

## Community Satisfaction Survey

Each year, the Department of Community Planning and Development (DCPD) coordinates a Community Satisfaction Survey throughout Victorian municipalities. The survey is managed via an independent third party using Computer Assisted Telephone Interviewing (CATI), conducting a representative random probability survey of residents aged 18+ years in each respective Council area.

The main objectives of the survey are to assess the performance of Councils across a range of measures and to seek insight into improved service delivery. The survey also provides Councils with a means to fulfil some statutory reporting requirements as well as providing a feedback mechanism to DCPD.

Pleasingly, Melton Shire Council recorded an Overall Performance Index Score of 64. This is significantly higher than the State-wide average for this measure of 60, and the average Index Score of 61 for the Outer Metropolitan group.

On other core performance measures Melton Shire Council also received positive results, scoring 74 for Customer Service, 61 for Community Consultation and Engagement, 58 for Advocacy and 58 for Overall Council Direction.

In all these measures, Melton Shire Council again significantly outperformed the State-wide average, and exceeded Outer Metropolitan Council averages.

## Community Grants Program 2011/2012

During 2011/2012, Melton Shire Council provided a number of grants to community groups and projects that would benefit the Shire as a whole through its three funding programs.

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
Community Funding Program – Local Neighbourhood Grant	John Southall	Scott Street Revamp	\$1,000.00
	<b>Total Local Neighbourhood Grants</b>		<b>\$1,000.00</b>
Community Funding Program – Establishment Grant	Panthers Basketball Club	Establishment Grant	\$2,078.40
	Western Thunder - Te Rautupu o Hauauru Sports Club	Establishment Grant	\$2,476.95
	Melton Bollywood Knight Riders Community Group	Establishment Grant	\$2,500.00
	Melton Baptist Playgroup	Establishment Grant	\$2,500.00
	Burnside Heights Football Club	Establishment Grant	\$2,500.00
	Rockabillies Playgroup	Establishment Grant	\$2,500.00
	Shooting Stars Netball Club	Establishment Grant	\$2,500.00
	The Gap on Graham	Establishment Grant	\$2,497.30
	Baby Einstein Playgroup	Establishment Grant	\$2,500.00
	Botanica Springs Playgroup	Establishment Grant	\$2,500.00
	Becca Way Playgroup	Establishment Grant	\$2,250.00
	Burnside Heights Auskick Centre	Establishment Grant	\$2,500.00
	Cambridge, Coburn and Watts Resident Association	Establishment Grant	\$1,500.00
	Melton Rural Property Owners Group Inc	Establishment Grant	\$2,500.00
	Spanish Speaking Seniors Group	Establishment Grant	\$2,500.00
	Victoria Punjabi Bhangra Group	Establishment Grant	\$2,500.00
	Baby Buddies Playgroup	Establishment Grant	\$2,500.00
	Tiny Tots Playgroup	Establishment Grant	\$2,500.00
	Wonderful Wednesdays Playgroup	Establishment Grant	\$2,500.00
	Eynesbury Cricket Club	Establishment Grant	\$2,500.00
Melton South Kiddies Playgroup	Establishment Grant	\$2,500.00	
North West Titans Basketball Club	Establishment Grant	\$2,500.00	
<b>Total Establishment Grants</b>		<b>\$53,302.65</b>	

## Our Performance

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
Community Funding Program – Community Strengthening Grant	Melton Combined Youth & Special Needs Club Assoc. Inc.	Respite Camp	\$1,800.00
	Melton Star Search	2012 Melton Star Search	\$4,000.00
	Sunshine George Cross Juniors	Training/ Match Day Strips	\$4,000.00
	Kurunjang Primary School	Learning & Playing Together Playgroup	\$3,400.00
	Melton Bollywood Knight Riders Community Group	Community Anniversary Event	\$4,000.00
	St John Ambulance Djerriwarrh Division	Essential Equipment for Volunteers - Airway Management	\$1,963.50
	Friends of the Melton Botanic Garden Inc	Equipping People	\$3,441.00
	The Gap on Graham	Boys Building it Together	\$3,756.39
	979fm (3RIM inc)	Outside Broadcast Facility Improvement	\$1,197.43
	Satellite City United Soccer Club	Easy Pathway to Soccer/ Fridge Purchase	\$3,378.00
	Mothers Network	Mothers Network of Caroline Springs & Burnside	\$3,000.00
	Wordsmiths of Melton	Production of Anthology	\$4,000.00
	Melton Police	Melton Community Safety Register	\$2,500.00
	Norwood Association	Shedding Lights on Melton Men's Mental Health	\$3,603.27
	Melbourne Chinese Cultural Association	Facilitating Communication	\$4,000.00
	Melton Model Aircraft Association	Come Fly With Us	\$3,090.00
	<b>Total Community Strengthening Grants</b>		<b>\$51,129.59</b>
Community Funding Program – Partnership Grant	Coburn Primary School	Community History Mural	\$5,511.60
	<b>Total Partnership Grants</b>		<b>\$5,511.60</b>
	<b>Total Community Funding Program</b>		<b>\$110,943.84</b>

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
<b>Community Assistance and Sponsorship Program – Community Contribution and Sponsorship Grant</b>	The Partners of Veterans Association of Australia, Victorian Branch Inc.	National Quilt Project	\$3,000.00
	The Orange Pigeon	Orange Pigeon Takes Flight	\$2,315.00
	1st Caroline Springs Scout Group and The Australian Dingo Foundation	Dingoes' Birthday Celebration	\$3,260.00
	Variety The Children's Charity	Variety Christmas Party for Special Children	\$1,100.00
	Western Youth Futures/ Youth Now	Sponsorship of awards for 2 x local VET students	\$400.00
	Caroline Springs Tennis Club	Australian Open Trophy Tour 2012 and Open Day	\$3,189.00
	Melton Secondary College	Sponsorship of awards for 1x local student	\$83.50
	Filipino Friendship Group of Melton	Christmas in July/ Meet the New Residents	\$2,070.00
<b>Total Community Contribution and Sponsorship Grants</b>			<b>\$15,417.50</b>
<b>Community Assistance and Sponsorship Program – Resident Achievement Grant</b>	Ian Pratt	State/ Regional Event	\$250.00
	Jasmine Van Derzwart	State/ Regional Event	\$250.00
	Maddison Briston	State/ Regional Event	\$250.00
	Maddison Lister	State/ Regional Event	\$250.00
	Meg Aumann	State/ Regional Event	\$250.00
	Bryanna Szabo	State/ Regional Event	\$250.00
	Zoe Bissell	State/ Regional Event	\$250.00
	Jackson Hocking-Hall	Interstate Event	\$300.00
	Alanis Smith	Interstate Event	\$500.00
	Annette Jones	Interstate Event	\$500.00
	Amber Mills	Interstate Event	\$500.00
	Bradley Jones	Interstate Event	\$500.00
	Brittany Wunhym	Interstate Event	\$500.00
	Ceanne Smith	Interstate Event	\$500.00
	Chelsea Pugh	Interstate Event	\$500.00
	Crystal Bryant	Interstate Event	\$500.00
Daniel Bryant	Interstate Event	\$500.00	
Daniel Maric	Interstate Event	\$500.00	
Darcy Courts	Interstate Event	\$500.00	
Elijah Tuigamala	Interstate Event	\$500.00	

Continued &gt;

## Our Performance

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
	Gary Lear	Interstate Event	\$500.00
	Gloria Ind	Interstate Event	\$500.00
	Hugh Thomson	Interstate Event	\$500.00
	Holly Azzopardi	Interstate Event	\$500.00
	Jack Dent	Interstate Event	\$500.00
	Jake Psaila	Interstate Event	\$500.00
	Jaryd-Indiana Sweeney	Interstate Event	\$500.00
	Jason Go	Interstate Event	\$500.00
	Jason Webster	Interstate Event	\$500.00
	Jason Morales	Interstate Event	\$500.00
	John Bentley	Interstate Event	\$500.00
	Kristy Robertson	Interstate Event	\$500.00
	Lachlan Smith	Interstate Event	\$500.00
	Leisa Gidman	Interstate Event	\$500.00
	Linda Thompson	Interstate Event	\$500.00
	Pauline Webster	Interstate Event	\$500.00
	Maragaret Silva	Interstate Event	\$500.00
	Malcom Cuming	Interstate Event	\$500.00
	Michael Portaro	Interstate Event	\$500.00
	Norman Dimitrijevic	Interstate Event	\$500.00
	Raymond Rule	Interstate Event	\$500.00
	Roland Nuiafu	Interstate Event	\$500.00
	Shane Ellis	Interstate Event	\$500.00
	Tamika Smith	Interstate Event	\$500.00
	Terence Silva	Interstate Event	\$500.00
	Tobey Courts	Interstate Event	\$500.00
	Zak Wunhym	Interstate Event	\$500.00
	Ashton Koroneos	International Event	\$650.00
	Kelly Wolf	International Event	\$650.00
	Lauren Koroneos	International Event	\$650.00
	Rebecca Wolf	International Event	\$650.00
	Chris Addis	International Event	\$750.00
	Corey Stemp	International Event	\$750.00
	Gemma Tuddenham	International Event	\$750.00

Continued &gt;

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
	Georgia Kerton	International Event	\$750.00
	Hollie Graham	International Event	\$750.00
	Nicole Martin	International Event	\$750.00
	Janine Twyman	International Event	\$750.00
	Jessica May	International Event	\$750.00
	Jenna O'Beid	International Event	\$750.00
	Joel Fanner	International Event	\$750.00
	Joel Hennessy	International Event	\$750.00
	Kristy Croatto	International Event	\$750.00
	Krystal Webb	International Event	\$750.00
	Rhiannon O'Grady	International Event	\$750.00
		<b>Total Resident Achievement Grants</b>	<b>\$34,650.00</b>
		<b>Total Community Assistance and Sponsorship Grants</b>	<b>\$50,067.50</b>
<b>Community Benefit Program – Capital/ Infrastructure/ Equipment Grant (Eastern Corridor)</b>	Burnside Heights Football Club	Start Up	\$5,000.00
	George Cross Juniors	New Equipment	\$4,500.00
	Caroline Chisholm Society	Ongoing Sustainability	\$10,000.00
	Caroline Springs Tennis Club	Uniforms	\$4778.00
	Lions Club of Caroline Springs	Redevelopment of Millennium Park	\$5,000.00
	Mt Cottrell Bowls Club	Shading	\$2,250.00
	Utsav Malayalee Samaj	Djerriwarrh Festival 2012	\$2,000.00
	Diggers Rest Football Netball Club		\$5,000.00
	Burnside Springs United Cricket Club	Reaching Great Heights	\$1,472.00
		<b>Total Infrastructure Equipment Grants (Eastern Corridor)</b>	<b>\$40,000.00</b>
<b>Community Benefit Program – Capital/ Infrastructure/ Equipment Grant (Melton)</b>	Melton Fire Brigade	Breathing Apparatus	\$7,500.00
	Melton & District Pony Club	Kitchen Equipment	\$1,582.00
	Djerriwarrh Neighbourhood House	Revitalisation Project	\$1,000.00
	Melton South Community Centre	Choir Uniforms	\$400.00
		<b>Total Infrastructure Equipment Grants (Melton)</b>	<b>\$10,482.00</b>

## Our Performance

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
<b>Community Benefit Program – Community Support (Eastern Corridor)</b>	Caroline Springs Seniors Citizens	Activities and Outings	\$5,000.00
	iCare Special Needs Group	Respite	\$2,869.50
	Caroline Springs Volleyball Club	CSVV Project	\$3,842.00
	Burnside Springs United Netball Club	Community Development Program	\$3,989.48
	Caroline Springs Leisure Centre (Melton Shire Council Leisure Services)	Active Girls	\$2,150.00
	Mothers Network of Caroline Springs & Burnside	Kids Fit Kinder Gym	\$3,000.00
	Caroline Springs Dog Club	Uniforms	\$1,500.00
	Hillside Community Centre (Melton Shire Council)	Children's Wellbeing Program	\$2,649.00
		<b>Total Community Support Grants (Eastern Corridor)</b>	<b>\$24,999.98</b>
<b>Community Benefit Program – Community Support (Melton)</b>	MacKillop Family Services	Melton Parents Disability Network	\$3,140.00
	Stepping Up	Djerriwarrh Festival	\$3,000.00
	Childwise	Melton South Christmas for the Kids	\$5,000.00
	Willows Quilting Group	Bi Annual Exhibition 2012	1,645.00
	Friends of the Melton Botanical Gardens	Out There!	\$2,429.00
	Post Placement Support Services	Kinship Grandparent Carers Support Group	\$2,304.00
		<b>Total:</b>	<b>\$17,518.00</b>
		<b>Total Shire of Melton/ Collingwood Community Benefit Program</b>	<b>\$92,999.98</b>

Grant Category	Organisation/ Applicant Name	Program/ Activity	Grant Amount
Harness Racing Victoria/ Melton Shire Council Community Grant Program – Infrastructure/ Equipment Grant	3rd Melton Scouts Group	Under 15's Jungle Den Disco	\$2,750.00
	Melton Bowling Club	Acquisition of cardiac defibrillator	\$2,300.00
	iCare Special Needs Group	Equipment	\$7,328.31
	Christ Church Anglican Church Melton	Christ Church Melton car park	\$7,500.00
	Melton Model Railway Club	Implementation of Digital Command Control System at MMRC	\$1,050.00
		<b>Total Infrastructure/ Equipment Grants</b>	<b>\$20,928.31</b>
Harness Racing Victoria/ Melton Shire Council Community Grant Program – Community Support Grant	Childwise	Melton South Christmas for the Kids	\$4,000.00
	Friends of the Toolern Creek	Platypus Festival 2012	\$6,000.00
	Norwood Association	Youth Mental health First Aid	\$3,945.95
		<b>Total Community Support Grants</b>	<b>\$13,945.95</b>
Harness Racing Victoria/ Melton Shire Council Community Grant Program – Welfare Grant	Caroline Springs College Springside	Wellbeing/Calmng Room	\$5,000.00
	Kurunjang Primary School	Student Leadership Development Program	\$5,000.00
	Toolern Vale and District PS	Tools for success program	\$5,000.00
		<b>Total Welfare Grants</b>	<b>\$15,000.00</b>
		<b>Total Shire of Melton/HRV Community Grant Program</b>	<b>\$49,874.26</b>
<b>SUMMARY</b>	Community Funding Program		<b>\$110,943.84</b>
	Community Assistance and Sponsorship Program		<b>\$50,067.50</b>
	Community Benefit Program		<b>\$92,999.98</b>
	Harness Racing Victoria/ Melton Shire Council Community Grant Program		<b>\$49,876.26</b>
	<b>TOTAL Combined Community Grants 2011/2012</b>		<b>\$303,886.58</b>

# Audited Statements



fjmt

# Melton Shire Council Performance Statement

*For the Year Ended 30 June 2012*

## **Melton Shire Council**

### **Notes to the Performance Statement for the year ended 30 June 2012**

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

The Key Strategic Activities are outlined in the Adopted Annual Plan and Budget 2011-2012.

This report provides the actual results achieved for 2011-2012 financial year compared with the performance targets and measures. Where Council has failed to (substantially) achieve the performance targets in relation to any Key Strategic Activity a note is provided as to why the Activity was not achieved.

## Audited Statements

## Performance Statement 2011/2012

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
<b>Council Plan Objective 1: Improving health and wellbeing for our diverse community</b>							
1	Ensure everyone has access to quality Council services	Deliver integrated Family Support Services	Hours service delivered to the community	IRIS Database and Family Services database	2,180	1857 hours	Target not met. Vacant position in first quarter.
2	Ensure everyone has access to quality Council services	Food Service delivery service to Planned Activity Groups, homes and centres	Number of meals delivered	Dept. of Health Minimum Data Reporting	30,000	22,458	Target not met. Only 22,458 meals were requested during the reporting period.
3	Improve physical, social and mental health and wellbeing for a safe, active and healthy community	Deliver of financial assistance to vulnerable residents as per agreement with Commonwealth	Percentage of \$261,000 funding delivered	Funding agreement acquittal to Department of Human Services	100%	100%	Target met. New funding agreement with Commonwealth reduced available funds to \$247,038
<b>Council Plan Objective 2: Protecting and enhancing our environment</b>							
4	Protect and enhance our natural environment and cultural heritage	Implement Councils Environmental Enhancement Program	Percentage of landholders who retain their rebate	Council Report	95%	95%	Target met.
5	Protect and enhance our natural environment and cultural heritage	Develop Water Sensitive Urban Design Policy	Policy to be adopted by Council	Council Report	By June 30 2012	Still in draft form	Target not met. Expected to be completed by September 2012
6	Enhance the quality of urban and natural environments	Prepare a Municipal Retail and Activity Centre Strategy	Strategy adopted by Council	Council Report	By June 30 2012	Still in draft form	Target not met. Completion of the Strategy has been delayed pending approval of the Growth Corridor Plans and is now expected to be completed by end of 2012/13
7	Provide services and infrastructure that are environmentally sustainable	Implement Toward Zero Waste Strategy	Maintain diversion rates for landfill above 52%	Quarterly performance reporting to council's audit committee	≥ 52%	53.11%	Target met.

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
<b>Council Plan Objective 3: Increasing business and employment opportunities</b>							
8	Develop and support existing businesses	Implement the Melton Buy Local Campaign	Number of businesses registered for the program	Quarterly performance reporting to council's audit committee	≥ 25	30	Target met.
9	Develop and support existing businesses	Conduct annual Business Excellence Awards	Number of award entrants	Registration documentation	≥ 30	44	Target met.
10	Encourage local skill development and local employment opportunities	Provide local employment opportunities within the municipality	Community satisfaction rating for economic development	Local Government Victoria Annual Community Satisfaction Survey	≥ 62		Data not available due to change in DPCD Survey
11	Encourage local skill development and local employment opportunities	Deliver a series of training workshops for small business throughout the year	Number of training workshops delivered	Registration documentation	12	11	Target not met due to cancellation of some workshops-insufficient number of enrolments
<b>Council Plan Objective 4: Ensuring our fast growth is well planned and managed, and council's physical assets are well maintained</b>							
12	Proactively consult, plan, build, maintain and upgrade assets	Commence Stage 1 of the construction of the Melton Library	Construction contract awarded and construction commenced.	Quarterly performance reporting to council's audit committee	Contracted by October 2011. Construction commenced June 30 2012	Contracted by October 2011. Construction commenced March 2012	Target met
13	Proactively consult, plan, build, maintain and upgrade assets	Open the Taylors Hill Youth and Community Centre	Commencement of program delivery from the centre	Quarterly performance reporting to council's audit committee	By March 31 2012	Opened March 18 2012	Target met.
14	Proactively consult, plan, build, maintain and upgrade assets	Maintain Road Assets in accordance with Council's Road Asset Management Plan	Community satisfaction rating for council roads	Local Government Victoria Annual Community Satisfaction Survey	≥ 60		Data not available due to change in DPCD Survey  Survey was reviewed and methodology changed so Council did not subscribe to these questions as the data was not comparable to previous years.  RAMP results have been provided in place of the LGV results.  RAMP Compliance 99.67% of 81,078 Road Inspections, 100% of 8,035 Footpath inspections 99.26% of 11,171 programmed works

## Audited Statements

## Performance Statement 2011/2012

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
<b>Council Plan Objective 4:</b> Ensuring our fast growth is well planned and managed, and council's physical assets are well maintained							
15	Proactively consult, plan, build, maintain and upgrade assets	Establish new and maintain existing infrastructure.	Community satisfaction rating for: 1. Local roads and footpaths 2. Recreational facilities 3. Appearance of public areas	Local Government Victoria Annual Community Satisfaction Survey	1. ≥ 59 2. ≥ 67 3. ≥ 66		Data not available due to change in DPCD Survey
<b>Council Plan Objective 5:</b> Leading the organisation and the community through accountability, transparency and advocacy							
16	Practice good governance, social, economic and environmental responsibility	Development of Council's Building Emergency Management Policy	Policy approved by Council	Council Report	By June 30 2012	Policy not developed	Target not met.  It is the Management view that there is no need to have a policy as the audit program is the policy position of the Council for management of public buildings
17	Practice good governance, social, economic and environmental responsibility	Administer Council's Capital works budget	Percentage of annual capital budget spent within the year	PowerBudget	100%	73%	Target not met.
18	Develop excellent service delivery based on a culture of continual improvement, innovation and learning	Process planning applications within statutory timeframes and Melton land use regulations	Percentage of applications completed within 60 days	Quarterly reporting to Council. Attendance records	≥ 90%	92%	Target met.
19	Develop excellent service delivery based on a culture of continual improvement, innovation and learning	Improve community relations and customer service	CSS customer responsiveness rating	Local Government Victoria Annual Community Satisfaction Survey	≥ 75	74	Target not met.

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
<b>Council Plan Objective 6: Fostering a well-connected and engaged community</b>							
20	Consult and involve the community to provide responsive, high quality services and facilities	Delivery the annual Youth Consultative Forum to inform the review of the Youth Strategy	# of participants	Quarterly reporting to Council. Attendance records	≥ 80	37	Target was not met as only 37 young people registered interest. The forum was run on single issue forum online.
21	Enhance volunteering and leadership within the community	Build Community Leadership capabilities via workshops, meetings, newsletters and forums for the leisure and recreation community	# and type of training sessions # newsletters	Quarterly reporting to Council. Attendance records	1. ≥ 2 2. ≥ 6	3 Safe Food Handling Workshops 1 Grant submission Workshop 3 Responsible serving of alcohol 1 Club Manual Launch 6 Newsletters	Target met.
22	Build strong, productive relations to encourage the sharing of knowledge	Keep the Melton Community informed of council works and activities	4 Moving Ahead Newsletters published and distributed	Moving Ahead Newsletters	4 Newsletters	4 Newsletters	Target met.

**Note:**

"In response to feedback from local councils, Local Government Victoria introduced methodological and content changes to the CSS in 2012 to provide the sector with more reliable and meaningful results to inform decision making and strategic planning. The survey provides core questions as well as optional questions which councils can pick and chose from depending on their particular information and reporting needs. Councils are also able to include their own tailored questions and sampling requirements.

Methodological improvements to the CSS in 2012 included increasing the sample size from the previous minimum of 350 respondents per municipality up to 400 respondents and ensuring that the sample reflects the demographic composition of a municipality. The survey also allows for respondents to be "residents over 18 years of age" instead of restricting respondents to "head of the household". These changes together with revisions to the performance scale and scoring have improved the useability of the survey.

For these reasons, direct comparison with previous CSS results is not possible."

## Certification of Performance Statement

In our opinion the accompanying performance statement of the Melton Shire Council in respect of the 2011-2012 financial year is presented fairly in accordance with the Local Government Act 1989.

This statement outlines the performance targets and measures set out in relation to the achievement of the Key Strategic Activities in respect of that year described in the Council's 2011-2012 Annual Budget and described the extent to which the activities have been met in that year having regard to those targets and measures.

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



**Thurairajah Shanmugapalan CPA**  
Principal Accounting Officer

Dated: 6 September 2012

We were authorised by the Council on 23 August 2012 to certify the performance statement in their final form on behalf of the Council.



**Cr. Justin Mammarella**  
Mayor

Dated: 6 September 2012



**Cr. Broden Borg**  
Deputy Mayor

Dated: 6 September 2012



**Kelvin Tori**  
Chief Executive Officer

Dated: 6 September 2012



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 Shire Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2012 of the Melton Shire Council which comprises the statement, the related notes and the certification of performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

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

#### *Auditor's Responsibility*

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

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

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

#### *Independence*

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

#### *Auditor's Opinion*

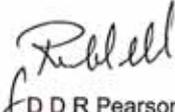
In my opinion, the performance statement of the Melton Shire Council in respect of the 30 June 2012 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

### Independent Auditor's Report (continued)

#### *Matters Relating to the Electronic Publication of the Audited Performance Statement*

This auditor's report relates to the performance statement of the Melton Shire Council for the year ended 30 June 2012 included both in the Melton Shire Council's annual report and on the website. The Councillors of the Melton Shire Council are responsible for the integrity of the Melton Shire Council's website. I have not been engaged to report on the integrity of the Melton Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
12 September 2012



F D R Pearson  
Auditor-General

# Melton Shire Council Standard Statements

*For the Year Ended 30 June 2012*

## Melton Shire Council

### Notes to the Standard Statements for the year ended 30 June 2012

#### 1. Basis of preparation of Standard Statements

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

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

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

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

The Standard Statements compare Council's financial plan,

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

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

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

## Audited Statements

**STANDARD INCOME STATEMENT**  
For the year ending 30 June 2012

	Budget 2011/12 \$'000	Variations \$'000	%	Ref	Actuals 2011/12 \$'000
<b>Revenue</b>					
Rates	67,806	(22)	(0.0)%		67,784
Statutory fees and fines	1,670	(136)	(8.1)%		1,534
User charges	4,740	164	3.5%		4,904
Grants	24,665	2,256	9.1%	1	26,921
Developer contributions & reimbursements	47,980	3,850	8.0%	2	51,830
Other revenue	1,781	226	12.7%	3	2,007
Interest	1,828	173	9.5%		2,001
<b>Total revenue</b>	<b>150,470</b>	<b>6,511</b>			<b>156,981</b>
<b>Expenses</b>					
Employee benefits	34,759	3,778	10.9%	4	38,537
Materials and services	47,945	477	1.0%		48,422
Bad and doubtful debts	-	226	100.0%	5	226
Depreciation and amortisation	17,002	907	5.3%		17,909
Borrowing costs	1,850	18	1.0%		1,868
Fair value adjustments for investment property	-	57	100.0%	6	57
Assets written off	-	4,195	100.0%	7	4,195
<b>Total expenses</b>	<b>101,556</b>	<b>9,657</b>			<b>111,214</b>
Net gain/(loss) on disposal of assets	5,244	(3,659)	(69.8)%	8	1,585
<b>Surplus (deficit) for the period</b>	<b>54,158</b>	<b>(6,805)</b>			<b>47,352</b>

**STANDARD INCOME STATEMENT**  
For the year ending 30 June 2012**Variance Explanation Report**

Ref.	Item	Explanation
1	Grants	Variance due to half of the 2012/13 Victorian Grants Commission allocation received in June.
2	Developer contributions & reimbursements	Due to higher than estimated Land Under Road and cash contributions received from developers.
3	Other revenue	The variance is due to a combination of various festival sponsorship income exceeding budget and Cemetery income exceeding budget.
4	Employee benefits	Variance is due to the recognition of the Defined Benefit Call for the Council's share of the Fund's unfunded Superannuation.
5	Bad and doubtful debts	Provision is made for unpaid infringements greater than 12 months old. All attempts are made to recover outstanding debts and therefore these are not budgeted for.
6	Fair value adjustments for investment property	The value of investment property fair value increases/ decreases are not taken into account in the preparation of the budget.
7	Assets written off	Written off assets not budgeted for including the demolition of the Melton Library for the new Melton Library Learning Hub, building at Bridge Road demolished for the development at Toolern and roads that have been renewed.
8	Net gain/(loss) on disposal of assets	Budget included sales of land at Toolern Development. Only stages 1 and 2 sold as at 30 June 2012.

## Audited Statements

**STANDARD BALANCE SHEET**  
For the year ending 30 June 2012

	Budget 2011/12 \$'000	Variations \$'000	%	Ref	Actuals 2011/12 \$'000
<b>Current assets</b>					
Cash and cash equivalents	17,717	17,813	100.5%	9	35,530
Trade and other receivables	3,971	2,152	54.2%	10	6,123
Inventories	-	97	100.0%	11	97
Prepayments	940	(940)	(100.0)%	12	-
Other financial assets	687	1,457	212.1%	13	2,144
Non-current assets classified as held for sale	2,136	(1,772)	(83.0)%	14	364
<b>Total current assets</b>	<b>25,451</b>	<b>18,806</b>			<b>44,258</b>
<b>Non-current assets</b>					
Property, plant and equipment, infrastructure	1,013,697	106,600	10.5%	15	1,120,297
Inventories	-	153	100.0%	16	153
Investment property	-	6,517	100.0%	17	6,517
Financial assets	-	1,317	100.0%	18	1,317
Intangibles	-	5,646	100.0%	19	5,646
<b>Total non-current assets</b>	<b>1,013,697</b>	<b>120,233</b>			<b>1,133,930</b>
<b>Total assets</b>	<b>1,039,148</b>	<b>139,038</b>			<b>1,178,187</b>
<b>Current liabilities</b>					
Payables	5,433	3,038	55.9%	20	8,471
Employee benefits	2,063	7,944	385.1%	21	10,007
Interest bearing liabilities	3,728	3,798	101.9%	22	7,526
Other liabilities	1,064	1,119	105.1%	23	2,183
<b>Total current liabilities</b>	<b>12,288</b>	<b>15,898</b>			<b>28,187</b>
<b>Non-current liabilities</b>					
Employee benefits	2,772	(545)	(19.7)%	24	2,227
Interest bearing liabilities	24,150	(3,788)	(15.7)%	25	20,362
Other liabilities	2,890	14	0.5%		2,904
<b>Total non-current liabilities</b>	<b>29,812</b>	<b>(4,319)</b>			<b>25,493</b>
<b>Total liabilities</b>	<b>42,100</b>	<b>11,580</b>			<b>53,681</b>
<b>Net assets</b>	<b>997,048</b>	<b>127,459</b>			<b>1,124,507</b>
<b>Equity</b>					
Accumulated surplus	785,284	(100,912)	(12.9)%		684,372
Reserves	211,764	228,371	107.8%		440,135
<b>Total equity</b>	<b>997,048</b>	<b>127,459</b>			<b>1,124,507</b>

**STANDARD BALANCE SHEET**  
For the year ending 30 June 2012**Variance Explanation Report**

Ref.	Item	Explanation
9	Cash and cash equivalents	Refer to Standard Cash Flow Statement comments for explanation in movement of cash balances.
10	Trade and other receivables	Due to GST refund of \$1.33m and Rates Concessions of \$539K due from the ATO and DHS not included in budget figure.
11	Inventories	Inventories for cemetery land had not been budgeted for.
12	Prepayments	Budgeted for prepayment of Insurance Premiums by 30 June 2012, actual was paid in July 2012.
13	Other financial assets	Contracts of sale for land at Toolern had been signed for stages 1 and 2 with settlement after balance date. The budgeted figure assumed a lower amount of sales that had contracts signed before balance date with settlement after balance date.
14	Non-current assets classified as held for sale	Budgeted for higher amount of blocks at Toolern to be available for sale at year end due to slower than expected sales in stages 1 and 2.
15	Property, plant and equipment, infrastructure	Variance due to revaluation of assets during the year which had not been included in the budgeted figures.
16	Inventories	Not included in budgeted balance sheet.
17	Investment property	Not included in budgeted balance sheet.
18	Financial assets	Not included in budgeted balance sheet.
19	Intangibles	Not included in budgeted balance sheet.
20	Payables	The variation is due to timing of key contract payments instalments and finalisation of capital works projects.
21	Employee benefits	Variation due to Defined Benefit Call of \$4.5m payable by Council for its share of the unfunded shortfall in superannuation.  Increases in employee provision is also due to new staff from other Council's.
22	Interest bearing liabilities	Loan maturing in June 2013 which was amortising over a 10 year period but maturing after 4 years. This had been included in the non current liabilities of the budget.
23	Other liabilities	Variation due to retention of contract payments withheld on certain projects until the maintenance period has expired.
24	Employee benefits	Actual figures include movement of Long Service Leave out of non current to current.
25	Interest bearing liabilities	Refer note 22.

## STANDARD CASH FLOW STATEMENT

### For the year ending 30 June 2012

	Budget 2011/12 \$'000	Variations \$'000	%	Ref	Actuals 2011/12 \$'000
<b>Cash flows from operating activities</b>					
Receipts from rates and other customers	76,844	5,737	7.5%	26	82,581
Payments to suppliers	(49,002)	(7,775)	15.9%	27	(56,777)
Interest received	1,828	247	13.5%	28	2,075
Grants and contributions	23,165	4,211	18.2%	29	27,376
Other receipts	1,493	1,256	84.1%	30	2,749
Employees	(32,959)	237	(0.7)%		(32,722)
Trust Moneys	-	252	100.0%	31	252
Borrowing costs	(1,850)	(18)	1.0%		(1,868)
GST refunds	-	6,449	100.0%	32	6,449
<b>Net cash inflow (outflow) from operating activities</b>	<b>19,518</b>	<b>10,597</b>			<b>30,115</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment, infrastructure	9,396	(9,149)	(97.4)%	33	247
Payments for property, plant and equipment, infrastructure	(35,270)	3,515	(9.9)%		(31,755)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(25,874)</b>	<b>(5,634)</b>			<b>(31,508)</b>
<b>Cash flows from financing activities</b>					
Proceeds from interest bearing loans and borrowings	4,000	-	0%		4,000
Repayment of interest bearing loans and borrowings	(3,631)	4	(0.1)%		(3,627)
<b>Net cash inflow (outflow) from financing activities</b>	<b>369</b>	<b>4</b>			<b>373</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,989)</b>	<b>4,969</b>	<b>(83.0)%</b>		<b>(1,020)</b>
Cash and cash equivalents at the beginning of the year	23,707	12,843	54.2%		36,550
<b>Cash and cash equivalents at the end of the year</b>	<b>17,717</b>	<b>17,813</b>			<b>35,530</b>

### Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June 2012

<b>Surplus (deficit)</b>	<b>54,158</b>	<b>(6,806)</b>	<b>(12.6)%</b>		<b>47,352</b>
Depreciation and amortisation	17,002	907	5.3%		17,909
Developer Contributions	(43,000)	(128)	0.3%		(43,128)
(Profit)/Loss on sale of property, plant and equipment, infrastructure	5,244	(2,634)	(50.2)%		2,610
Fair value adjustments for investment property	-	57	100.0%		57
Net movement in current assets and liabilities	(13,886)	19,201	(138.3)%		5,315
<b>Net cash inflow (outflow) from operating activities</b>	<b>19,518</b>	<b>10,597</b>			<b>30,115</b>

**STANDARD CASH FLOW STATEMENT**  
For the year ending 30 June 2012**Variance Explanation Report**

Ref.	Item	Explanation
26	Receipts from rates and other customers	The increase is due to timing of earlier than anticipated receipt of cash from developers and arrears from rates.
27	Payments to suppliers	Cashflows to suppliers are higher than budgeted due to the payment of carried forward capital works from the prior year of \$7.8m, refer to Standard Statement of Capital Works.
28	Interest received	Council's cash position was stronger during the year than budgeted for due to payments for capital works occurring later in the year.
29	Grants and contributions	Increase due to early receipt of the Victorian Grants Commission allocation for the 2012/13 year.
30	Other receipts	Refer to note 3.
31	Trust Moneys	Trust moneys not separately identified in the budgeted cashflow.
32	GST refunds	GST refunds not separately identified in the budgeted cashflow.
33	Proceeds from sale of property, plant and equipment, infrastructure	It had been budgeted to have received moneys from Toolern land sales by 30 June. Contracts for sales for stages 1 and 2 have been signed but settlement occurring after 30 June 2012. \$2.1m has been accrued in the financial statements which is lower than budgeted due to slow sales market.

## Audited Statements

**STANDARD STATEMENT OF CAPITAL WORKS**  
For the year ending 30 June 2012

	Budget 2011/12 \$'000	Variations \$'000	%	Ref	Actuals 2011/12 \$'000
Roads	13,221	(4,407)	(33.3)%	34	8,814
Drainage	218	(41)	(18.8)%	35	177
Recreation	10,543	(673)	(6.4)%		9,870
Buildings	7,704	(2,154)	(28.0)%	36	5,550
Library Books	388	17	4.4%		405
Plant and equipment	671	459	68.4%	37	1,130
Furniture and fittings	675	(301)	(44.6)%	38	374
Land	1,750	(1,610)	(92.0)%	39	140
Other	100	(100)	(100.0)%	40	-
Capital works carried forward from prior years	8,401	(595)	(7.1)%		7,806
<b>Total capital works</b>	<b>43,671</b>	<b>(9,405)</b>	<b>(21.5)%</b>		<b>34,266</b>

**Represented by:**

Renewal	3,164	4,862	153.7%		8,026
Upgrade	13,560	(11,174)	(82.4)%		2,386
New assets	26,947	(3,093)	(11.5)%		23,854
<b>Total capital works</b>	<b>43,671</b>	<b>(9,404)</b>			<b>34,266</b>

Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget 2011/12 \$'000	Variations \$'000	%	Ref	Actuals 2011/12 \$'000
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:					
Total capital works	43,671	(9,405)	(21.5)%		34,266
Asset revaluation movement	-	61,590	100.0%		61,590
Developer Contributions	47,980	(4,852)	(10.1)%		43,128
Depreciation and amortisation	(17,002)	(581)	3.4%		(17,583)
Written down value of assets sold	5,244	(7,719)	(147.2)%		(2,475)
Assets written off	-	(1,882)	100.0%		(1,882)
Other movements	-	(1,008)	100.0%		(1,008)
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>79,893</b>	<b>36,143</b>			<b>116,036</b>

**STANDARD STATEMENT OF CAPITAL WORKS**  
For the year ending 30 June 2012

Variance Explanation Report

Ref.	Item	Explanation
34	Roads	<p>There have been four major projects that were not completed during the year due to unfavourable weather conditions, these include Neale Road \$1.5m, Gourlay Road \$724k, Centenary Ave \$1.8m and Westwood Drive bridge \$4.8m. These projects have been carried forward into the next financial year for completion.</p> <p>Amounts for Road Rehabilitation and Road Resurfacing have been included as capital under the actual figures. These projects had been budgeted for under maintenance of \$4m.</p>
35	Drainage	Variance of \$41k is due to components of the project not meeting Council's capitalisation thresholds.
36	Buildings	Variance is due to Melton Library construction. This is a multi year project contracted in December 2011. The budgeted cash flows set in the original budget were \$1.6m higher than the actuals for the same period. The project continues into the next financial year and is still anticipated to be as per Council's original budget.
37	Plant and equipment	Increased expenditure due to custom fitouts for light commercial work vehicles and minibus.
38	Furniture and fittings	Due to a number of systems projects being carried forward into the new financial year as well as expenditure that did not meet Council's capitalisation thresholds.
39	Land	Variance due to land acquisition at Burnside and Bridge Road which have now been carried forward into the new financial year.
40	Other	Due to expenditure that did not meet Council's capitalisation thresholds.

## Certification of Standard Statements

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



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

Dated: 6 September 2012

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

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

We have been authorised by the Council on 23 August 2012 to certify the standard statements in their final form.



**Cr. Justin Mammarella**  
**Mayor**

Dated: 6 September 2012



**Cr. Broden Borg**  
**Deputy Mayor**

Dated: 6 September 2012



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

Dated: 6 September 2012

# Melton Shire Council

## Annual Financial Report

*For the Year Ended 30 June 2012*

### Table of Contents

	Page
<b>Financial Statements</b>	<b>88</b>
Comprehensive Income Statement	88
Balance Sheet	89
Statement of Changes in Equity	90
Cash Flow Statement	91
<b>Notes to Financial Statements</b>	<b>92</b>
Introduction	92
Note 1 Significant accounting policies terms and conditions	92
Note 2 Underlying Operational Result	98
Note 3 Rates and Charges	99
Note 4 Statutory fees and fines	99
Note 5 User fees	100
Note 6 Grants	100
Note 7 Developer contributions	102
Note 8 Reimbursements	102
Note 9 Other revenue	102
Note 10 Disposal of property, plant and equipment	103
Note 11 Employee benefits	104
Note 12 Materials and services	104
Note 13 Bad and doubtful debts	104
Note 14 Depreciation and amortisation	104
Note 15 Finance costs	105
Note 16 Cash and cash equivalents	105
Note 17 Trade and Other Receivables	105
Note 18 Inventories	105
Note 19 Land classified as held for sale	105
Note 20 Other assets	105
Note 21 Infrastructure, property, plant and equipment	105
Note 22 Reconciliation of non-current asset carrying amounts	109
Note 23 Investment property	111
Note 24 Intangible assets	111
Note 25 Payables	112
Note 26 Employee benefits	112
Note 27 Interest bearing liabilities	113
Note 28 Other liabilities	113
Note 29 Reserves	114
Note 30a Reconciliation of operating result with net cash from operations	116
Note 30b Non-cash financing and investing activities	116
Note 31 Financing arrangements	116
Note 32 Restricted assets	116
Note 33 Superannuation	117
Note 34 Commitments for capital and other expenditure	118
Note 35 Contingent liabilities and contingent assets	118
Note 36 Financial instruments	118
Note 37 Related party transactions	123
Note 38 Auditor's remuneration	125
Note 39 Subsequent Events	125
Note 40 Income and expenses by function	125
Note 41 Financial ratios	126
Note 42 Capital expenditure	127
Certification of the Financial Report	128
Auditor-General's report on the Financial Report	129

## COMPREHENSIVE INCOME STATEMENT

### For the year ending 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>Income</b>			
Rates and charges	3	67,784	60,026
Statutory fees and fines	4	1,534	1,911
User fees	5	6,562	5,869
Grants - recurrent	6	21,713	18,323
Grants - non-recurrent	6	1,337	591
Reimbursements	8	905	1,227
Other revenue	9	3,267	3,237
<b>Total income</b>		<b>103,102</b>	<b>91,184</b>
<b>Expenses</b>			
Employee benefits	11	38,537	31,482
Materials and services	12	48,422	45,153
Bad and doubtful debts	13	226	26
Depreciation and amortisation	14	17,909	17,134
Finance costs	15	1,868	1,847
<b>Total expenses</b>		<b>106,962</b>	<b>95,642</b>
<b>Net result prior to capital income and asset items</b>		<b>(3,860)</b>	<b>(4,458)</b>
Capital Grants	6	3,871	2,636
Contributions - Cash	7 (a)	6,880	6,991
Contributions - Non-Monetary Assets	7 (b)	43,128	50,654
Net gain/(loss) on disposal of property, plant and equipment	10	1,585	(18)
Assets written off	10	(4,195)	(376)
Fair value adjustments for investment property	23(a)	(57)	(165)
Recognition of previously unrecognised non-current assets		-	2,977
<b>Net result for the year</b>		<b>47,352</b>	<b>58,241</b>
<b>Other comprehensive income</b>			
Net asset revaluation increment(decrement)	29	61,590	26,820
Financial assets available for sale reserve			
- Gain/(loss) taken to equity	23(b)	(45)	(262)
<b>Comprehensive result</b>		<b>108,897</b>	<b>84,799</b>

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

**BALANCE SHEET**  
As at 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	35,530	36,550
Trade and other receivables	17	6,123	6,049
Inventories	18	97	61
Land classified as held for sale	19	364	-
Other Assets	20	2,144	-
<b>Total current assets</b>		<b>44,258</b>	<b>42,660</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	21	1,120,297	1,004,261
Inventories	18	153	289
Investment property	23(a)	6,517	6,574
Financial assets	23(b)	1,317	1,362
Intangible assets	24	5,646	5,973
<b>Total non-current assets</b>		<b>1,133,930</b>	<b>1,018,459</b>
<b>Total assets</b>		<b>1,178,188</b>	<b>1,061,119</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	25	8,471	6,024
Employee benefits	26	10,007	4,944
Interest bearing liabilities	27	7,526	3,627
Other liabilities	28	2,183	2,816
<b>Total current liabilities</b>		<b>28,187</b>	<b>17,411</b>
<b>Non-current liabilities</b>			
Employee benefits	26	2,227	1,474
Interest bearing liabilities	27	20,362	23,888
Other liabilities	28	2,904	2,736
<b>Total non-current liabilities</b>		<b>25,493</b>	<b>28,098</b>
<b>Total liabilities</b>		<b>53,681</b>	<b>45,509</b>
<b>Net Assets</b>		<b>1,124,507</b>	<b>1,015,610</b>
<b>Equity</b>			
Accumulated surplus		684,372	640,315
Reserves	29	440,135	375,295
<b>Total Equity</b>		<b>1,124,507</b>	<b>1,015,610</b>

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

## STATEMENT OF CHANGES IN EQUITY

### For the year ending 30 June 2012

	Note	Total 2012 \$'000	Accumulated Surplus 2012 \$'000	Asset Revaluation Reserve 2012 \$'000	Other Reserves 2012 \$'000
<b>2012</b>					
Balance at beginning of the financial year		1,015,610	640,315	357,306	17,989
Comprehensive result		108,897	47,352	61,590	(45)
Transfers to other reserves	29	-	(8,879)	-	8,879
Transfers from other reserves	29	-	5,584	-	(5,584)
<b>Balance at end of the financial year</b>		<b>1,124,507</b>	<b>684,372</b>	<b>418,896</b>	<b>21,239</b>

	Note	Total 2011 \$'000	Accumulated Surplus 2011 \$'000	Asset Revaluation Reserve 2011 \$'000	Other Reserves 2011 \$'000
<b>2011</b>					
Balance at beginning of the financial year		930,811	588,706	330,486	11,619
Comprehensive result		84,799	58,241	26,820	(262)
Transfers to other reserves	29	-	(8,541)	-	8,541
Transfers from other reserves	29	-	1,909	-	(1,909)
<b>Balance at end of the financial year</b>		<b>1,015,610</b>	<b>640,315</b>	<b>357,306</b>	<b>17,989</b>

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

## CASH FLOW STATEMENT

### For the year ending 30 June 2012

	Note	2012 Inflows/ (Outflows) \$'000	2011 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		67,520	59,688
Statutory fees and fines		1,483	1,827
User charges (inclusive of GST)		7,276	6,656
Grants received (inclusive of GST)		27,376	21,964
Contributions and reimbursements (inclusive of GST)		7,785	8,218
Interest received		2,075	1,771
Receipt of trust monies		252	684
Other receipts (inclusive of GST)		1,266	1,303
Net GST refund/(payment)		6,449	5,417
Payments to suppliers (inclusive of GST)		(56,777)	(54,407)
Payments to employees		(32,722)	(30,793)
Borrowing costs		(1,868)	(1,847)
<b>Net cash provided by (used in) operating activities</b>	30(a)	<b>30,115</b>	<b>20,481</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment, infrastructure	22	(31,755)	(17,713)
Payments for intangibles	24	-	(3,100)
Proceeds from sale of property, plant and equipment, infrastructure	10	247	846
<b>Net cash provided by (used in) investing activities</b>		<b>(31,508)</b>	<b>(19,967)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,000	3,600
Repayment of borrowings		(3,627)	(3,594)
<b>Net cash provided by (used in) financing activities</b>		<b>373</b>	<b>6</b>
Net increase (decrease) in cash and cash equivalents		(1,020)	520
Cash and cash equivalents at the beginning of the financial year		36,550	36,030
<b>Cash and cash equivalents at the end of the financial year</b>	16	<b>35,530</b>	<b>36,550</b>
<b>Non cash financing and investing activities</b>			
Financing arrangements	30(b)		
Restrictions on cash assets	31		
	32		

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

**Introduction**

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

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

**Note 1 Significant accounting policies****(a) Basis of Accounting**

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

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

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. There has only been one change to accounting policy in 2012, and the details of that are set out in note 2. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

**(b) Revenue Recognition***Rates, grants and contributions*

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

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

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

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

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

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.

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

*User fees and fines*

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

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

*Sale of property, plant and equipment, infrastructure*

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

*Trade and other receivables*

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

**Note 1 Significant accounting policies (Continued)***Rental*

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs.

Rental payments received in advance are recognised as a prepayment until they are due.

*Interest*

Interest is recognised progressively as it is earned.

*Dividends*

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

**(c) Trade and other receivables and inventories***Trade and other receivables*

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

*Inventories*

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

Other inventories are measured at the lower of cost and net realisable value.

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

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

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

Road earthworks are not depreciated.

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

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

	2011/12
Road - Surfacing	20 years
Road - Substructure	10-70 years
Road - Earthworks	N/A
Footpaths	10-70 years
Kerb and Channel	10-70 years
Car Parks	10-70 years
Traffic Management	10-70 years
Bridges	25-100 years
Drainage Works	80-100 years
Recreation Facilities	3-30 years
Other	20-100 years
Plant and machinery	5 years
Buildings	50 years
Furniture and equipment	3-5 years
Land	N/A
Land under roads	N/A
Library assets	10 years

**Note 1 Significant accounting policies (Continued)****(e) Repairs and maintenance**

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

**(f) Borrowing costs**

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

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

**(g) Recognition and measurement of assets***Acquisition*

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

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

The following classes of assets have been recognised in note 21. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$
Road - Surfacing	10,000
Road - Substructure	10,000
Road - Earthworks	10,000
Footpaths	10,000
Kerb and Channel	10,000
Car Parks	10,000
Traffic Management	10,000
Bridges	25,000
Drainage Works	25,000
Recreation Facilities	1,000
Other	Nil
Plant and machinery	1,000
Buildings	Nil
Furniture and equipment	1,000
Land	Nil
Land under roads	Nil
Library assets	Nil

**Note 1 Significant accounting policies (Continued)***Revaluation*

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense.

Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

*Land under roads*

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

**(h) Cash and cash equivalents**

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

**(i) Financial assets**

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

**(j) Investments**

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

**(k) Accounting for investments in associates**

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

**(l) Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 28).

**(m) Employee benefits***Wages and salaries*

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

*Annual leave*

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

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

*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

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

**Note 1 Significant accounting policies (Continued)***Classification of employee benefits*

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

*Superannuation*

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

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 33.

**(n) Allocation between current and non-current**

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

**(o) Agreements equally proportionately unperformed**

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

**(p) Web site costs**

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

**(q) Goods and Services Tax (GST)**

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

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

**(r) Impairment of assets**

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

**(s) Rounding**

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

Figures in the financial statement may not equate due to rounding.

**(t) Non-current assets held for sale**

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

**(u) Investment property**

Investment property, comprising freehold office complexes, is held to generate long-term rental yields.

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

**Note 1 Significant accounting policies (Continued)****(v) Financial guarantees**

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

**(w) New Accounting Standards and Interpretations**

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements.</p> <p>Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul>	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 2010-9: Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters [AASB 1]	These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Applicable for annual reporting periods commencing on or after 1 January 2011.

2012	2011
\$'000	\$'000

**Note 2 Underlying Operational Result for the year ended 30 June 2012**

	2012	2011
	\$'000	\$'000
<b>Surplus for the year before other comprehensive income</b>	<b>47,352</b>	<b>58,241</b>
<b>Less Non-operating income</b>		
Capital Grants	3,871	2,636
Contributions - Cash	6,880	6,991
Contributions - Non-Monetary Assets	43,128	50,654
Net gain/(loss) on disposal of property, plant and equipment	1,585	(18)
Fair value adjustments for investment property	(57)	(165)
Recognition of previously unrecognised non-current assets	-	2,977
<b>Add Non-operating expenses</b>		
Assets written off	4,195	376
<b>Underlying operational result</b>	<b>(3,860)</b>	<b>(4,458)</b>

Melton Shire Council measures its underlying operational result\* to assist in the determination of whether it is operating in a sustainability fashion or not. The underlying result is an important indicator of Council's long-term financial sustainability, together with other indicators as shown in Note 41 Financial Ratios (Performance Indicators). Whilst an underlying deficit in one financial year is not significant the continued recording of deficits over a sustained period from Council's operations gradually erodes the net assets of Council.

The underlying result from operations excludes a number of transactions which are either 'non-recurring' or not operational in nature. These items are frequently unpredictable and typically can change from one year to the next. The best examples of these items are assets (roads, footpaths etc) that are given to Council by developers once a new subdivision is completed. There are also other accounting adjustments for 'found assets' (when assets that have not been previously recognised by Council are identified), 'lost assets' (when existing assets are written off) or when existing ones are revalued.

The aim of an underlying result is to determine whether Council's operational costs/income result is in a surplus or deficit outcome. In this way, Council can, in long-term financial planning, aim for an outcome where pure operational outcomes assist Council in achieving a sustainable organisation.

\* The concept and measurement methodology of an underlying operational result is not defined by Australian Accounting Standards

## Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

**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 2011/2012 was \$15,345,553,132 (2010/2011 \$14,533,778,100).

The rate in the CIV dollar was:

	2012	2011
Residential Developed Land	0.0033435	0.0032461
Commercial Developed	0.0050152	0.0047018
Industrial Developed	0.0050152	0.0044397
Rural Developed	0.0023404	0.0020128
Retirement Village	0.0028661	0.0027826
Residential Vacant Land	0.0050024	0.0048567
Commercial Vacant Land	0.0058511	0.0035410
Industrial Vacant	0.0058511	0.0047057
Rural Vacant	0.0040122	0.0033503
Development Land	0.0056839	-
Extractive Land	0.0093618	0.0080512
Urban Growth Land	0.0033435	-

2012	2011
\$'000	\$'000

Residential (Including Retirement Village and Urban Growth Land)	45,844	39,418
Commercial	3,391	2,557
Industrial	3,010	2,265
Rural *	2,437	4,386
Municipal charge	4,894	4,368
Garbage charge	7,909	6,765
Interest on rates	299	267
	<b>67,784</b>	<b>60,026</b>

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

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

\* *Urban Growth Land rate income included under the Rural category in the 2011 year. In 2012 the Urban Growth Land rate income is included in Residential rate income category.*

**Note 4 Statutory fees and fines**

Infringements and costs	526	685
Town planning fees	110	133
Land information certificates	73	98
Permits	670	793
Property Information Requests	156	202
	<b>1,534</b>	<b>1,911</b>

2012	2011
\$'000	\$'000

**Note 5 User fees**

	2012	2011
	\$'000	\$'000
Recreation fees	860	820
Child care and children's program fees	438	409
Aged services fees	470	531
Registration fees	692	634
Building services fees	248	233
Youth program fees	67	57
Infrastructure management fees	916	868
Health program fees	42	43
Subdivision fees	1,015	871
Transfer Station fees	1,205	928
Sundry fees and charges	609	475
	<b>6,562</b>	<b>5,869</b>

**Note 6 Grants**

Grants were received in respect of the following:

**Recurrent - operational**

<i>Commonwealth Government</i>		
Family and children	176	182
Other	750	652
	<b>926</b>	<b>834</b>
<i>Victorian Grants Commission</i>		
Unallocated	12,096	8,793
Local roads	1,726	1,333
	<b>13,822</b>	<b>10,126</b>
<i>State Government</i>		
Aged and disability services	3,556	3,185
Childrens services	1,731	1,651
Community support and development	602	895
Environment	138	282
Recreation and leisure	-	340
Community health	89	96
Roads	17	15
Libraries	638	662
Planning and Development	-	10
Youth Services	48	73
Other	146	154
	<b>6,965</b>	<b>7,363</b>
<b>Total recurrent - operational</b>	<b>21,713</b>	<b>18,323</b>
<b>Non-recurrent - operational</b>		
<i>Commonwealth Government</i>		
Family and children	100	200
Environment	-	-
Other	280	98
	<b>380</b>	<b>298</b>

	2012 \$'000	2011 \$'000
<b>Note 6 Grants (Continued)</b>		
<i>State Government</i>		
Aged and disability services	148	47
Business growth and sustainability	63	22
Childrens services	114	-
Community support and development	101	34
Community safety	48	65
Recreation and leisure	27	-
Roads	108	-
Environment	290	120
Family, youth and housing	1	-
Planning and Development	19	-
Other	38	5
	<b>957</b>	<b>293</b>
<b>Total non-recurrent - operational</b>	<b>1,337</b>	<b>591</b>
<b>Total operational grants</b>	<b>23,050</b>	<b>18,914</b>
<b>Recurrent - capital</b>		
<i>Commonwealth Government</i>		
Roads to Recovery	602	602
<b>Non-recurrent - capital</b>		
<i>Commonwealth Government</i>	327	327
<i>State Government</i>	2,942	1,707
<b>Total capital grants</b>	<b>3,871</b>	<b>2,636</b>
<b>Total operational and capital grants received</b>	<b>26,921</b>	<b>21,550</b>
<b>Conditions over grants</b>		
Grants which were recognised as revenues during the year and which were obtained on the condition that they be expended in a specified manner but had yet to be applied in that manner as at the reporting date were:		
Community infrastructure	7,747	7,487
	<b>7,747</b>	<b>7,487</b>
Grants which were recognised as revenues in previous periods and were expended during the current year in the manner specified by the grantor were:		
Community infrastructure	4,520	1,017
	<b>4,520</b>	<b>1,017</b>
<b>Net increase (decrease) in restricted assets resulting from grant revenues for the year:</b>	<b>3,227</b>	<b>6,470</b>

Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

2012	2011
\$'000	\$'000

**Note 7 Developer contributions****a Cash**

Contributed cash	6,772	6,868
Street lighting	108	123
	<b>6,880</b>	<b>6,991</b>

**b Non-Monetary Assets**

Land	3,439	2,750
Land under roads	5,536	3,334
Roads	24,074	30,416
Drainage	10,079	14,154
	<b>43,128</b>	<b>50,654</b>
<b>Total</b>	<b>50,008</b>	<b>57,645</b>

**Note 8 Reimbursements**

Road maintenance	35	388
Child Care Assistance	870	839
	<b>905</b>	<b>1,227</b>

**Note 9 Other revenue**

Interest	2,001	1,934
Home and Community	82	125
Festival sponsorship	93	101
Program Revenue	676	678
Other	415	399
	<b>3,267</b>	<b>3,237</b>

**Note 10 Disposal of property, plant and equipment**

2012	2011
\$'000	\$'000

*Plant, furniture and equipment*

Proceeds from sale of assets	234	421
Written down value of assets sold	(162)	(397)
Profit/(loss) on sale of plant, furniture and equipment	72	24

*Land and buildings*

Proceeds from sale of assets	64	253
Written down value of assets sold	-	(295)
Profit/(loss) on sale of land and buildings	64	(42)

*Land held for Resale*

Proceeds from sale of assets	2,093	172
Written down value of assets sold	(644)	(172)
Profit/(loss) on sale of land held for resale	1,449	-

Proceeds from sale of assets	2,391	846
Written down value of assets sold	(806)	(864)
Profit/(loss) on sale of assets	1,585	(18)

**Assets Written Off***Land and buildings*

Proceeds from sale of assets	-	-
Written down value of assets written off	(2,313)	-
Profit/(loss) on disposal of land and buildings	(2,313)	-

*Library books*

Proceeds from sale of assets	-	-
Written down value of assets written off	(63)	(146)
Profit/(loss) on disposal of library books	(63)	(146)

*Road assets*

Proceeds from sale of assets	-	-
Written down value of assets written off	(1,801)	(135)
Profit/(loss) on disposal of road assets	(1,801)	(135)

*Drainage assets*

Proceeds from sale of assets	-	-
Written down value of assets written off	(4)	(86)
Profit/(loss) on disposal of drainage assets	(4)	(86)

*Other assets*

Proceeds from sale of assets	-	-
Written down value of assets written off	(14)	(9)
Profit/(loss) on disposal of other assets	(14)	(9)

Written down value of assets written off	(4,195)	(376)
--	---------	-------

Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

	2012 \$'000	2011 \$'000
<b>Note 11 Employee benefits</b>		
Salaries and wages	26,858	24,174
Casual staff	1,165	1,056
Annual leave and long service leave	1,756	1,291
Superannuation	2,481	2,311
Superannuation - Defined benefit call	4,527	920
Other	1,750	1,730
	<b>38,537</b>	<b>31,482</b>

<b>Note 12 Materials and services</b>		
Administrative support	3,501	3,450
Program expenses Youth, Family, Aged and Children Services	2,951	2,992
Contract payments	20,528	18,133
Utilities	2,745	2,351
Garbage collection and disposal	1,536	1,564
Consultants	1,768	719
Maintenance	10,464	10,308
Professional fees	1,224	1,425
Audit fees	133	125
Contributions and donations	570	565
Environmental services	826	807
Insurances	885	819
Council governance	273	225
Civic promotion and planning	347	366
Recreation programs	389	402
Regulatory services	180	202
Health Services	19	40
Transport and vehicle operations	83	660
	<b>48,422</b>	<b>45,153</b>

<b>Note 13 Bad and doubtful debts</b>		
Bad debts	6	10
Provision for doubtful debts	220	16
	<b>226</b>	<b>26</b>

<b>Note 14 Depreciation and amortisation</b>		
Buildings	1,890	1,862
Plant and machinery	660	587
Furniture and equipment	791	1,144
Library books	345	422
Infrastructure		
Roads and streets	10,025	9,200
Bridges	163	177
Drainage	2,198	2,099
Recreation facilities	1,417	1,360
Others	93	111
Intangible assets	327	172
	<b>17,909</b>	<b>17,134</b>

Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

	2012 \$'000	2011 \$'000
<b>Note 15 Finance costs</b>		
Interest - borrowings	1,868	1,847
	<b>1,868</b>	<b>1,847</b>

**Note 16 Cash and cash equivalents**

Cash on hand	4	4
Cash at Bank	1,981	405
Short Term Investments	33,545	36,141
	<b>35,530</b>	<b>36,550</b>

Users of the financial report should refer to Note 32 for details of restrictions on cash assets and Note 34 for details of existing Council commitments.

**Note 17 Trade and Other Receivables**

<i>Current</i>		
Rates debtors	3,140	2,876
Parking infringement debtors	268	217
Other debtors	3,333	3,386
Less: provision for doubtful debts on other debtors	(808)	(694)
Accrued interest	190	264
	<b>6,123</b>	<b>6,049</b>
<b>Total receivables</b>	<b>6,123</b>	<b>6,049</b>

**Note 18 Inventories**

<i>Current</i>		
Land for Interment Purposes	97	61
<i>Non-current</i>		
Land for Interment Purposes	153	289
<b>Total Inventories</b>	<b>250</b>	<b>350</b>

**Note 19 Land classified as held for sale**

Opening balance	-	172
Additions	1,008	-
Sales (WDV)	(644)	(172)
<b>Total</b>	<b>364</b>	<b>-</b>

**Note 20 Other assets**

<i>Current</i>		
Accrued land sales	2,144	-
<b>Total Other assets</b>	<b>2,144</b>	<b>-</b>

2012	2011
\$'000	\$'000

**Note 21 Property, infrastructure, plant and equipment**

	2012	2011
	\$'000	\$'000
<b>Land</b>		
At fair value	286,642	274,058
	<b>286,642</b>	<b>274,058</b>
<b>Land under roads</b>		
At fair value	14,262	8,126
	<b>14,262</b>	<b>8,126</b>
<b>Buildings</b>		
At fair value	105,674	91,802
At cost	-	9,605
Less accumulated depreciation	(30,951)	(30,602)
	<b>74,723</b>	<b>70,805</b>
<b>Plant and machinery</b>		
At cost	4,136	3,633
Less accumulated depreciation	(1,693)	(1,498)
	<b>2,443</b>	<b>2,135</b>
<b>Furniture and equipment</b>		
At cost	11,151	10,497
Less accumulated depreciation	(9,387)	(8,596)
	<b>1,764</b>	<b>1,901</b>
<b>Library books</b>		
At Cost	4,021	3,792
Less accumulated depreciation	(1,956)	(1,722)
	<b>2,066</b>	<b>2,070</b>

2012	2011
\$'000	\$'000

**Note 21 Property, infrastructure, plant and equipment (Continued)****Infrastructure assets***Roads - Surfacing*

At cost	-	262
At fair value	77,273	70,497
Less accumulated depreciation	(17,843)	(24,060)
	<b>59,430</b>	<b>46,699</b>

*Roads - Substructure*

At cost	-	749
At fair value	244,839	224,998
Less accumulated depreciation	(19,365)	(20,626)
	<b>225,474</b>	<b>205,121</b>

*Roads - Earthworks*

At cost	-	76
At fair value	58,161	55,570
	<b>58,161</b>	<b>55,646</b>

*Kerb and Channel*

At cost	-	110
At fair value	70,513	45,919
Less accumulated depreciation	(12,396)	(10,432)
	<b>58,117</b>	<b>35,597</b>

*Traffic Management*

At cost	675	397
At fair value	29,427	27,246
Less accumulated depreciation	(2,300)	(1,811)
	<b>27,802</b>	<b>25,832</b>

*Car Parks*

At cost	-	1,112
At fair value	3,680	2,421
Less accumulated depreciation	(944)	(845)
	<b>2,736</b>	<b>2,688</b>

*Footpaths*

At cost	-	628
At fair value	86,662	81,054
Less accumulated depreciation	(22,702)	(16,251)
	<b>63,960</b>	<b>65,431</b>

2012	2011
\$'000	\$'000

**Note 21 Property, infrastructure, plant and equipment (Continued)**

	2012	2011
	\$'000	\$'000
<b>Infrastructure assets</b>		
<i>Bridges</i>		
At cost	1,528	1,528
At fair value	8,306	8,306
Less accumulated depreciation	(3,007)	(2,844)
	<b>6,827</b>	<b>6,990</b>
<i>Drainage works</i>		
At cost	-	124
At fair value	231,901	211,395
Less accumulated depreciation	(31,565)	(32,352)
	<b>200,336</b>	<b>179,167</b>
<i>Recreation facilities</i>		
At cost	4,099	6,146
At fair value	25,389	19,242
Less accumulated depreciation	(11,029)	(9,612)
	<b>18,459</b>	<b>15,776</b>
<i>Others</i>		
At cost	-	81
At fair value	2,943	2,765
Less accumulated depreciation	(1,053)	(959)
	<b>1,890</b>	<b>1,887</b>
<i>Works in progress</i>		
Buildings at cost	5,541	3,042
Roads at cost	9,154	1,243
Recreation facilities at cost	510	47
	<b>15,205</b>	<b>4,332</b>
<i>Summary</i>		
At cost	40,815	43,072
At fair value	1,245,672	1,123,399
Less accumulated depreciation	(166,191)	(162,210)
	<b>1,120,297</b>	<b>1,004,261</b>
<b>Total infrastructure, property, plant and equipment</b>	<b>1,120,297</b>	<b>1,004,261</b>

Land was revalued at 1 May 2012, buildings revalued at 1 May 2012, undertaken by a qualified independent valuer (Landlink Opteon, the municipal valuers). The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Road and Street infrastructure assets were revalued at 30 June 2012 by Council Engineers. Drainage infrastructure assets were revalued at 30 June 2012 by Council Engineers. Infrastructure assets revalued at other times were conducted independently by Mr. P. Maloney Dip CE, MIE Aust of Maloney Asset Management Systems Ltd. The basis of the infrastructure revaluation was written down replacement cost. Recreational and other infrastructure assets were revalued at 30 June 2009 by Council Engineers.

## Note 22 Reconciliation of non-current asset carrying amounts for the year ended 30 June 2012

2012	WDV at end of previous period	Additions: Purchases	Transfers	Developer contributed assets	Disposals	Net revaluation increments / (decrements)	Depreciation expense	Movements in Assets Available for Sale	Balance at end of the year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	274,058	-	-	3,439	-	10,153	-	(1,008)	286,642
Land Under Roads	8,126	140	460	5,536	-	-	-	-	14,262
Buildings	70,805	6,799	2,464	-	(2,310)	(1,145)	(1,890)	-	74,723
Plant & Machinery	2,135	1,130	-	-	(162)	-	(660)	-	2,443
Furniture & Equipment	1,901	654	-	-	-	-	(791)	-	1,764
Library Books	2,070	405	-	-	(64)	-	(345)	-	2,066
<b>Infrastructure</b>									
Roads - Surfacing	46,699	3,935	430	3,294	(249)	9,877	(4,556)	-	59,430
Roads - Substructures	205,121	468	411	9,666	(1,189)	13,709	(2,712)	-	225,474
Roads - Earthworks	55,646	189	160	2,359	(323)	130	-	-	58,162
Footpaths	65,431	164	-	4,522	(29)	(4,832)	(1,296)	-	63,960
Kerb and Channel	35,597	244	-	2,052	(12)	21,116	(880)	-	58,117
Car Parks	2,688	311	241	-	(1)	(411)	(93)	-	2,735
Traffic Management	25,832	278	-	2,181	-	-	(489)	-	27,802
Bridges	6,990	-	-	-	-	-	(163)	-	6,827
Drainage	179,167	299	-	10,079	(4)	12,993	(2,198)	-	200,336
Recreation	15,776	4,066	34	-	-	-	(1,417)	-	18,459
Others	1,887	111	-	-	(14)	-	(93)	-	1,890
WIP	4,332	15,073	(4,200)	-	-	-	-	-	15,205
<b>Total</b>	<b>1,004,261</b>	<b>34,266</b>	<b>-</b>	<b>43,128</b>	<b>(4,357)</b>	<b>61,590</b>	<b>(17,583)</b>	<b>(1,008)</b>	<b>1,120,297</b>

## Note 22 Reconciliation of non-current asset carrying amounts for the year ended 30 June 2012 (Continued)

2011	WDV at end of previous period	Additions:		Transfers	Developer contributed assets		Net revaluation increments / (decrements)		Depreciation expense	Movements in Assets Available for Sale		Balance at end of the year
		Purchases	\$'000		\$'000	Disposals	(Note 7)	(Note 10)		(Note 29)	(Note 14)	
<b>Asset class</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land	238,806	1,664	-	-	2,750	-	26,820	-	-	-	4,018	274,058
Land Under Roads	4,792	-	-	-	3,334	-	-	-	-	-	-	8,126
Buildings	63,179	4,936	4,662	-	-	(294)	-	(1,862)	184	-	-	70,805
Plant & Machinery	1,885	1,234	-	-	-	(397)	-	(587)	-	-	-	2,135
Furniture & Equipment	2,647	398	-	-	-	-	-	(1,144)	-	-	-	1,901
Library Books	2,134	504	-	-	-	(146)	-	(422)	-	-	-	2,070
<b>Infrastructure</b>												
Roads - Surfacing	46,066	262	-	-	4,526	-	-	(4,155)	-	-	-	46,699
Roads - Substructures	195,619	749	-	-	11,336	(26)	-	(2,557)	-	-	-	205,121
Roads - Earthworks	52,793	76	-	-	2,793	(16)	-	-	-	-	-	55,646
Footpaths	58,342	628	-	-	7,708	(93)	-	(1,154)	-	-	-	65,431
Kerb and Channel	34,176	110	-	-	2,136	-	-	(825)	-	-	-	35,597
Car Parks	1,632	1,112	-	-	-	-	-	(56)	-	-	-	2,688
Traffic Management	23,918	397	-	-	1,968	-	-	(451)	-	-	-	25,832
Bridges	7,071	97	-	-	-	-	-	(178)	-	-	-	6,990
Drainage	167,126	124	-	-	14,101	(86)	-	(2,098)	-	-	-	179,167
Recreation	15,996	1,141	-	-	-	-	-	(1,361)	-	-	-	15,776
Others	2,007	-	-	-	-	(9)	-	(111)	-	-	-	1,887
WIP	4,675	4,319	(4,662)	-	-	-	-	-	-	-	-	4,332
<b>Total</b>	<b>922,864</b>	<b>17,751</b>	<b>-</b>	<b>-</b>	<b>50,652</b>	<b>(1,067)</b>	<b>26,820</b>	<b>(16,961)</b>	<b>184</b>	<b>4,018</b>	<b>1,004,261</b>	

	2012 \$'000	2011 \$'000
<b>Note 23 (a) Investment property</b>		
Opening balance	6,574	8,002
Transfers to land and buildings	-	(1,263)
Additions	-	-
Revaluation Increment/(Decrement)	(57)	(165)
<b>Total</b>	<b>6,517</b>	<b>6,574</b>

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

#### Note 23 (b) Financial assets

This investment is a joint venture between 11 Victorian Councils which established the Regional Kitchen project with the aim of ensuring affordable, nutritious and culturally sensitive meals to older and other vulnerable residents.

Unlisted shares - Regional Kitchen Pty Ltd

Council's share of accumulated surplus(deficit):

Council's share of accumulated surplus(deficit) at start of year	1,161	1,179
Reported surplus(deficit) for year	(45)	(18)
Council's share of accumulated surplus(deficit) at end of year	1,116	1,161

Movement in carrying value of specific investment

Carrying value of investment at start of year	1,362	1,624
Share of surplus(deficit) for year	(45)	(18)
Adjustment to Council's equity share	-	(244)
Carrying value of investment at end of year	1,317	1,362

Council's share of expenditure commitments

Operating commitments	42	25
	42	25

#### Note 24 Intangible assets

Non-Exclusive Licences - Caroline Springs College Creekside Campus	1,024	1,108
- Springside Childrens and Community Centre	1,677	1,765
- Kororoit Creek Early Learning Centre	2,945	3,100
	<b>5,646</b>	<b>5,973</b>

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

Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

**Note 24 Intangible assets (Continued)**

	Non- Exclusive Licences 2012 \$'000	Total 2012 \$'000
<b>Gross carrying amount</b>		
Balance at 1 July 2010	3,440	3,440
Additions	3,100	3,100
Balance at 1 July 2011	6,540	6,540
Additions	-	-
Balance at 30 June 2012	6,540	6,540
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2010	(394)	(394)
Amortisation expense	(172)	(172)
Balance at 1 July 2011	(566)	(566)
Amortisation expense	(327)	(327)
Balance at 30 June 2012	(893)	(893)
Net book value at 30 June 2011	5,973	5,973
Net book value at 30 June 2012	5,646	5,646
	<b>2012 \$'000</b>	<b>2011 \$'000</b>

**Note 25 Payables**

Creditors	5,815	4,970
Accrued Expense	2,656	1,054
	<b>8,471</b>	<b>6,024</b>

**Note 26 Employee benefits**

<i>Current (i)</i>		
Annual leave	2,526	2,246
Long service leave	2,954	2,698
Superannuation - additional contribution (note 33)	4,527	-
	<b>10,007</b>	<b>4,944</b>
<i>Non-current</i>		
Long service leave	2,227	1,474
	<b>2,227</b>	<b>1,474</b>
<b>Total employee benefits</b>	<b>12,234</b>	<b>6,418</b>

*Annual leave*

It is expected that \$2,226,115 of the liability is to be settled no more than 12 months after the reporting date. This is measured at nominal value. It is expected that \$299,820 of the liability is to be settled more than 12 months after the reporting date. This is measured at present value.

*Long service leave*

It is expected that \$225,306 of the liability is to be settled no more than 12 months after the reporting date. This is measured at nominal value. It is expected that \$4,955,450 of the liability is to be settled more than 12 months after the reporting date. This is measured at present value.

2012	2011
\$'000	\$'000

**Note 26 Employee benefits (Continued)**

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

Weighted average increase in employee costs	4.313%	4.600%
Weighted average discount rates	3.058%	5.278%
Weighted average settlement period	12	12

**(i) Current**

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

**Note 27 Interest bearing liabilities**

<i>Current</i>		
Loans- secured	7,526	3,627
	<b>7,526</b>	<b>3,627</b>
<i>Non-current</i>		
Loans- secured	20,362	23,888
	<b>20,362</b>	<b>23,888</b>
<b>Total interest-bearing liabilities</b>	<b>27,888</b>	<b>27,515</b>

The maturity profile for Council's borrowings is:

Not later than one year	7,526	3,627
Later than one year and not later than five years	18,903	21,089
Later than five years	1,459	2,799
	<b>27,888</b>	<b>27,515</b>

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

**Note 28 Other liabilities**

<i>Current</i>		
Maintenance Bonds	1,430	1,347
Construction retention monies	753	1,469
	<b>2,183</b>	<b>2,816</b>
<i>Non-current</i>		
Maintenance Bonds	2,904	2,736
	<b>2,904</b>	<b>2,736</b>
	<b>5,087</b>	<b>5,552</b>

2012	2011
\$'000	\$'000

**Note 29 Reserves****(a) Asset revaluation surplus**

Balance at beginning of reporting period	357,306	330,486
Increment (decrement)	61,590	26,820
Balance at end of reporting period	<b>418,896</b>	<b>357,306</b>

**(b) Other reserves****Balances**

Street trees/drainage	781	909
Economic development	-	-
Community infrastructure	18,834	15,607
Asset replacement	1,173	997
Perpetual Maintenance	109	104
Public Art	54	39
Available for Sale Financial Assets	288	333
<b>Total other reserves</b>	<b>21,239</b>	<b>17,989</b>

<b>Total reserves</b>	<b>440,135</b>	<b>375,295</b>
-----------------------	----------------	----------------

**Movements**

	Opening balance \$'000	Movement \$'000	Closing balance \$'000
<b>Asset revaluation surplus</b>			
<b>Net movement in asset valuations</b>			
Land	183,532	10,153	193,685
Buildings	2,721	(1,145)	1,576
Roads	110,470	39,589	150,059
Bridges	2,067	-	2,067
Drains	54,787	12,993	67,780
Recreation	3,099	-	3,099
Other	630	-	630
<b>Total</b>	<b>357,306</b>	<b>61,590</b>	<b>418,896</b>

2012	2011
\$'000	\$'000

**Note 29 Reserves (Continued)****Street trees/drainage*****Developer contributions for provision of drainage assets and street beautification***

Balance at beginning of the financial year	909	878
Transfer from accumulated surplus	46	31
Transfer to accumulated surplus	(174)	-
Balance at end of the financial year	<b>781</b>	<b>909</b>

**Economic development*****Provision of economic development initiatives***

Balance at beginning of the financial year	-	17
Transfer from accumulated surplus	-	-
Transfer to accumulated surplus	-	(17)
Balance at end of the financial year	-	-

**Community infrastructure*****Provision of community infrastructure in developing subdivisions***

Balance at beginning of the financial year	15,607	9,137
Transfer from accumulated surplus	7,747	7,487
Transfer to accumulated surplus	(4,520)	(1,017)
Balance at end of the financial year	<b>18,834</b>	<b>15,607</b>

**Asset replacement*****Provision for ongoing replacement of plant and equipment***

Balance at beginning of the financial year	997	892
Transfer from accumulated surplus	1,043	911
Transfer to accumulated surplus	(867)	(806)
Balance at end of the financial year	<b>1,173</b>	<b>997</b>

**Perpetual Maintenance*****Provision for cemetery perpetual maintenance***

Balance at beginning of the financial year	104	100
Transfer from accumulated surplus	5	4
Transfer to accumulated surplus	-	-
Balance at end of the financial year	<b>109</b>	<b>104</b>

**Public Art Reserve*****Provision for public art***

Balance at beginning of the financial year	39	-
Transfer from accumulated surplus	38	108
Transfer to accumulated surplus	(23)	(69)
Balance at end of the financial year	<b>54</b>	<b>39</b>

**Available for Sale Financial Assets*****Provision for movements in available for sale financial assets (Regional Kitchen Refer 23 (b))***

Balance at beginning of the financial year	333	595
Gain taken to equity	-	-
Loss taken to equity (note 23(b))	(45)	(262)
Balance at end of the financial year	<b>288</b>	<b>333</b>

2012	2011
\$'000	\$'000

**Note 30 (a) Reconciliation of operating result with net cash from operations**

	2012	2011
	\$'000	\$'000
<b>Surplus for the year</b>	<b>47,352</b>	<b>58,241</b>
Depreciation and amortisation	17,909	17,134
Developer contributed assets included as revenue	(43,128)	(50,654)
(Profit)/loss on disposal property, plant and equipment	2,610	394
Fair value adjustments for investment property	57	165
Recognition of previously unrecognised non-current assets	-	(2,977)
<b>Change in assets and liabilities</b>		
(Increase)/decrease in rate debtors	(265)	(338)
(Increase)/decrease in other receivables	189	(57)
(Increase)/decrease in other assets	(2,144)	-
(Increase)/decrease in land held for resale	(364)	-
Increase/(decrease) in payables	2,447	(1,222)
Increase/(decrease) in provisions and other payables	5,352	(228)
(Increase)/decrease in inventories	101	23
<b>Net cash provided by operating activities</b>	<b>30,115</b>	<b>20,481</b>

**Note 30 (b) Non-cash financing and investing activities**

During the reporting period, Council acquired property with an aggregate fair value of \$43,128,618 by means of developer contributions (2010/2011 \$50,654,343). These acquisitions are not reflected in the Cash Flow Statement.

**Note 31 Financing arrangements**

	2012	2011
Bank overdraft		
Facility available	1,900	1,900
Unused facility	1,900	1,900

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

**Note 32 Restricted assets**

Council has cash and cash equivalents (Note 16) that are subject to restrictions. As at the reporting date, Council has legislative restrictions and has made other commitments to set aside funds, in relation to employee entitlements (Long Service Leave) and developer contributed reserve funds.

	2012	2011
Long service leave-cash and investments	4,250	3,849
Reserve Funds	21,239	17,989
Other restricted asset include:		
- Trust funds (note 28)	5,087	5,552
	<b>30,576</b>	<b>27,390</b>

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 26 due to a different basis of calculation prescribed by the regulation.

**Note 33 Superannuation****Post - Employment Benefit**

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

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

**Defined Benefit Plan**

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

Melton Shire Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. Melton Shire Council makes the following contributions:-

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

The Local Authorities Superannuation Fund latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contribution tax in the defined benefit fund of which we are a member. Council was made aware of the expected short fall through the year and was informed formally of their share of the short fall on 31 July 2012 together with 15% contributions tax, which amounted to \$4,527,369. Council has elected to pay this shortfall by lump sum within 12 months of the due date. Council has accounted for this short fall in the Comprehensive Income Statement in Employee Benefit (See Note 11) and in the Balance Sheet in Provisions Employee Benefits (See Note 26).

Details of contributions to the superannuation fund during the year and contributions payable at 30 June 2012 are as follows:

	2012 \$'000	2011 \$'000
<b>Fund</b>		
<b>Defined benefit plan</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	245	259
	245	259
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date *	4,527	920
	4,527	920
* Includes in 2011 \$919,768 relating to additional call.		
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,236	2,052
	2,236	2,052
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	117	104
	117	104

2012	2011
\$'000	\$'000

**Note 34 Commitments for capital and other expenditure**

At the reporting date, the municipality had entered into contracts for the following capital and other expenditures:

Garbage collection and disposal	19,694	2,182
Kerbside recycling collection	15,228	3,647
Health services and cleaning services	1,490	360
Corporate Services	732	809
Parks maintenance services	10,048	14,040
Road maintenance	23,448	29,207
Recycling facility operations	14,528	8,531
Building Services	16,230	9,251
Leisure Services	552	699
IT Services	445	430
Social	-	-
	<b>102,395</b>	<b>69,156</b>

These expenditures are due for payment:

Not later than one year	37,839	29,549
Later than one year and not later than five years	58,667	39,607
Later than five years	5,889	-
	<b>102,395</b>	<b>69,156</b>

**Note 35 Contingent liabilities and contingent assets****Contingent liabilities**

Council is unaware at this point in time of any potential contingent liabilities.

**Contingent assets**

Developer contributions to be received in respect of estates currently under development is in the range of \$50m to \$55m. (2010/11, \$45m to \$50m).

**Note 36 Financial instruments****(a) Accounting Policy, terms and conditions**

<b>Recognised Financial Instruments</b>		
	<b>Accounting Policy</b>	<b>Terms and Conditions</b>
<b>Financial assets</b>		
<b>Cash and cash equivalents</b>	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of between 3.50% to 4.75% (4.50% to 4.75% in 2010/2011). The interest rate at balance date was 3.50% (4.75% in 2010/2011).
	Interest is recognised as it accrues.	Funds returned fixed interest rate of between 4.50% to 6.25% (5.84% to 6.60% in 2010/2011) net of fees.
	Investments are held to maximise interest returns of surplus cash.	
	Term deposit, bank bills and managed funds are measured at cost.	
<b>Trade and other receivables</b>		
<b>Other debtors</b>	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.  Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10.5% (10.5% in 2010/2011). Credit terms are based on 30 days.
<b>Financial liabilities</b>		
<b>Trade and other payables</b>	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.
<b>Interest-bearing loans and borrowings</b>	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.65% during 2011/2012 (6.79% 2010/2011).
<b>Bank overdraft</b>	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate on available overdraft facility was 9.49% during 2011/2012 (9.62% in 2010/2011). The interest rate as at balance date was 8.87% (9.76% in 2010/2011).

**Note 36 Financial instruments (Continued)****(b) Interest rate risk**

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

2012	Floating Interest Rate \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000	Average Interest Rate	
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			Floating	Fixed
<b>Financial assets</b>								
Cash assets	1,981	33,545	-	-	4	35,530	3.50%	5.81%
Receivables	-	-	-	-	6,123	6,123	-	-
Available for Sale	-	-	-	-	1,317	1,317	-	-
	<b>1,981</b>	<b>33,545</b>	<b>-</b>	<b>-</b>	<b>7,444</b>	<b>42,970</b>		

**Financial liabilities**

Payables	-	-	-	-	8,471	8,471	-	-
Int. bearing liabilities	-	7,526	18,903	1,459	-	27,888	-	6.65%
Trust funds	-	-	-	-	5,087	5,087	-	-
	<b>-</b>	<b>7,526</b>	<b>18,903</b>	<b>1,459</b>	<b>13,558</b>	<b>41,446</b>		

2011	Floating Interest Rate \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000	Average Interest Rate	
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			Floating	Fixed
<b>Financial assets</b>								
Cash assets	405	36,141	-	-	4	36,550	4.75%	5.97%
Receivables	-	-	-	-	6,049	6,049	-	-
Available for Sale	-	-	-	-	1,362	1,362	-	-
	<b>405</b>	<b>36,141</b>	<b>-</b>	<b>-</b>	<b>7,415</b>	<b>43,961</b>		

**Financial liabilities**

Payables	-	-	-	-	6,024	6,024	-	-
Int. bearing liabilities	-	3,627	21,089	2,799	-	27,515	-	6.79%
Trust funds	-	-	-	-	5,552	5,552	-	-
	<b>-</b>	<b>3,627</b>	<b>21,089</b>	<b>2,799</b>	<b>11,576</b>	<b>39,091</b>		

**(c) Net fair value of financial assets and liabilities**

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

	2012		2011	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<b>Financial assets</b>				
Cash assets	35,530	35,530	36,550	36,550
Receivables	6,123	6,123	6,049	6,049
Available for Sale	1,317	1,317	1,362	1,362
	<b>42,970</b>	<b>42,970</b>	<b>43,961</b>	<b>43,961</b>
<b>Financial liabilities</b>				
Payables	8,471	8,471	6,024	6,024
Int. bearing liabilities	27,888	27,888	27,515	27,515
Trust funds	5,087	5,087	4,083	4,083
	<b>41,446</b>	<b>41,446</b>	<b>37,622</b>	<b>37,622</b>

**Note 36 Financial instruments (Continued)****(d) Credit risk**

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

**(e) Risks and mitigation**

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

**Market risk**

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

**Interest rate risk**

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

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

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

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

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

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

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

**Credit risk**

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

2012	2011
\$'000	\$'000

**Note 36 Financial instruments (Continued)*****Movement in Provisions for Doubtful Debts***

Balance at the beginning of the year	695	686
New Provisions recognised during the year	220	16
Amounts already provided for and written off as uncollectible	(107)	(7)
<b>Balance at end of year</b>	<b>808</b>	<b>695</b>

***Ageing of Trade and Other Receivables***

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

Current (not yet due)	2,067	1,622
<i>Past due by up to 30 days</i>	1,476	1,303
Past due between 31 and 180 days	783	118
Past due between 181 and 365 days	890	715
Past due by more than 1 year	1,713	2,985
<b>Total Trade &amp; Other Receivables</b>	<b>6,929</b>	<b>6,743</b>

***Ageing of individually impaired Trade and Other Receivables***

At balance date, other debtors representing financial assets with a nominal value of \$807,630 (2011: \$694,830) were impaired. The amount of the provision raised against these debtors was \$807,630 (2011: \$694,830). The individually impaired debtors relate to general and sundry and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
<i>Past due by up to 30 days</i>	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	3
Past due by more than 1 year	808	692
<b>Total Trade &amp; Other Receivables</b>	<b>808</b>	<b>695</b>

***Liquidity risk***

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

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

To help reduce these risks we:

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

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

## Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

**Note 36 Financial instruments (Continued)**

The table below lists the contractual maturities for Financial Liabilities.

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

2012	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	8,471	-	-	-	-	8,471	8,471
Trust funds and deposits	1,092	1,092	2,904	-	-	5,088	5,088
Interest-bearing loans	2,790	6,551	7,912	12,917	3,136	33,307	27,888
<b>Total financial liabilities</b>	<b>12,353</b>	<b>7,643</b>	<b>10,816</b>	<b>12,917</b>	<b>3,136</b>	<b>46,865</b>	<b>41,447</b>

2011	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	6,024	-	-	-	-	6,024	6,024
Trust funds and deposits	1,408	1,408	2,736	-	-	5,552	5,552
Interest-bearing loans	2,740	2,737	8,823	13,982	5,781	34,063	27,515
<b>Total financial liabilities</b>	<b>10,172</b>	<b>4,145</b>	<b>11,559</b>	<b>13,982</b>	<b>5,781</b>	<b>45,639</b>	<b>39,091</b>

**(e) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are reasonably possible over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 5.81%.

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

Market risk exposure	Interest rate risk				
2012	<i>Carrying amount subject to interest</i>	-2%		1%	
			basis points		basis points
		-200	Profit	100	Equity
		\$'000	\$'000	\$'000	\$'000

**Financial assets:**

Cash and cash equivalents	35,526	(711)	(711)	355	355
---------------------------	--------	-------	-------	-----	-----

Market risk exposure	Interest rate risk				
2011	<i>Carrying amount subject to interest</i>	-2%		1%	
			basis points		basis points
		-200	Profit	100	Equity
		\$'000	\$'000	\$'000	\$'000

**Financial assets:**

Cash and cash equivalents	36,546	(731)	(731)	365	365
---------------------------	--------	-------	-------	-----	-----

**Note 37 Related party transactions**

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

Councillors	
21 October 2001 - Current	Sophie Ramsey
1 December 2004 - Current	Renata Cugliari
21 October 2001 - Current	Garry Stock
1 December 2004 - Current	Justin Mammarella (Mayor 2 December 2009 - current)
10 December 2008 - Current	Broden Borg
10 December 2008 - Current	Kathy Majdlik
10 December 2008 - Current	Bob Turner
Chief Executive Officer	
November 2010 - Current	Kelvin Tori

Audited Statements • Melton Shire Council Financial Report for the year ended 30 June 2012

**Note 37 Related party transactions (Continued)****(b) Remuneration of responsible persons**

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

	2012 No.	2011 No.
\$20,000 to \$29,999	6	6
\$70,000 to \$79,999	-	1
\$80,000 to \$89,999	1	-
\$110,000 to \$119,999	-	1
\$190,000 to \$199,999	-	1
\$320,000 to \$329,999	1	-
	<b>8</b>	<b>9</b>
	2012 \$'000	2011 \$'000
Total remuneration for the reporting year for Responsible Persons included above amounted to:	564	471

**(c) Senior officers remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$127,000. The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2012 No.	2011 No.
< \$127,000	7	4
\$127,000 to \$129,999	1	1
\$130,000 to \$139,999	5	3
\$140,000 to \$149,999	4	5
\$150,000 to \$159,999	1	-
\$160,000 to \$169,999	-	1
\$180,000 to \$189,999	-	1
\$200,000 to \$209,999	1	1
\$210,000 to \$219,999	-	1
\$220,000 to \$229,999	2	-
	<b>21</b>	<b>17</b>
	2012 \$'000	2011 \$'000
Total remuneration for the reporting period for Senior Officers included above amounted to:	\$2,844	\$2,400

**(d) Retirement benefits**

Retirement benefits paid by the Council in connection with the retirement of responsible persons of the Council amounted to \$0. (2010/2011 - \$0)

**(e) Loans**

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

**(f) Other transactions**

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2010/11, Nil)

2012	2011
\$'000	\$'000

**Note 38 Auditor's remuneration**

	2012	2011
	\$'000	\$'000
Audit fee to conduct external audit - Victorian Auditor-General	49	49
	49	49

**Note 39 Subsequent Events**

There have been no subsequent events since balance date.

**Note 40 Income and expenses by function**

	Corporate and Executive Services		Community		Planning and Development		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>INCOME</b>								
Grants	13,609	10,373	8,758	9,326	4,554	1,851	26,921	21,550
Other	125,565	125,708	2,329	3,637	3,751	3,547	131,645	132,892
<b>TOTAL</b>	<b>139,174</b>	<b>136,081</b>	<b>11,087</b>	<b>12,963</b>	<b>8,305</b>	<b>5,398</b>	<b>158,566</b>	<b>154,442</b>
<b>EXPENSES</b>	<b>50,367</b>	<b>36,651</b>	<b>24,074</b>	<b>32,375</b>	<b>36,773</b>	<b>27,175</b>	<b>111,214</b>	<b>96,201</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>88,807</b>	<b>99,430</b>	<b>(12,987)</b>	<b>(19,412)</b>	<b>(28,468)</b>	<b>(21,777)</b>	<b>47,352</b>	<b>58,241</b>

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

**Component functions/activities of the Council****Corporate and Executive Services**

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

Organisational Development	Compliance
Customer Engagement	Learning Communities
Finance	Information Services

**Community Services**

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

Community Infrastructure	Community Care and Inclusion
Community Planning	Family Youth and Housing
Children Services	Leisure and Facilities

**Planning and Development**

Planning and Development is responsible for protecting and enhancing and developing the Council's social and physical environment. This division includes the following business units:

Capital Works	Business Growth & Sustainability
Planning	Operations
Engineering Services	Growth Areas

## Note 41 Financial ratios

			2012	2011	2010
(a)	<b>Debt servicing ratio</b> $\frac{\text{Debt servicing costs}}{\text{Total rate revenue}}$	To identify the capacity of Council to service its outstanding debt. Debt servicing costs refer to the payment of interest on loan borrowings. The ratio expresses the amount of interest paid as a % of Council's total rate revenue.	2.76%	3.08%	3.44%
(b)	<b>Debt commitment ratio</b> $\frac{\text{Debt servicing \& redemption costs}}{\text{Total rate revenue}}$	To identify Council's debt redemption strategy. The strategy involves the payment of loan principal and interest. The ratio expresses the % of rate revenue utilised to pay interest and redeem principal debt.	8.11%	9.06%	9.66%
(c)	<b>Revenue ratio</b> $\frac{\text{Total rate revenue}}{\text{Total revenue}}$	To identify Council's dependence on rate income. The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.	42.75%	38.87%	37.78%
(d)	<b>Debt exposure ratio</b> $\frac{\text{Total indebtedness}}{\text{Total realisable assets}}$	Enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of the Council. Total realisable assets are all Council assets not subject to any restriction and are able to be realised.	13.12%	11.56%	13.40%
(e)	<b>Working capital ratio</b> $\frac{\text{Current assets}}{\text{Current liabilities}}$	To assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities.	1.57 to 1	2.45 to 1	2.16 to 1
(f)	<b>Adjusted Working capital ratio</b> $\frac{\text{Current assets}}{\text{Current liabilities}}$	To assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities. Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.	1.75 to 1	2.90 to 1	2.47 to 1

2012	2011
\$'000	\$'000

**Note 42 Capital Expenditure**

<b>Capital expenditure areas</b>		
Roads	14,413	3,431
Drainage	299	124
Recreation	4,480	1,141
Buildings	12,634	9,255
Other Infrastructure	111	-
Plant and equipment	1,130	1,234
Furniture and fittings	654	398
Land	140	1,664
Other	405	504
<b>Total capital works</b>	<b>34,266</b>	<b>17,751</b>

Represented by:

Renewal	(a)	8,026	2,449
Upgrade	(b)	2,386	4,639
New assets		23,854	10,663
<b>Total capital works</b>		<b>34,266</b>	<b>17,751</b>

**Property , plant and equipment, infrastructure movement**

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

Total capital works		34,266	17,751
Asset revaluation movement	29	61,590	26,820
Developer Contributions	7(b)	43,128	50,654
Depreciation	14	(17,583)	(16,961)
Written down value of assets sold	22	(162)	(693)
Assets written off	22	(4,196)	(376)
Other movements	22	(1,008)	4,202
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>22</b>	<b>116,036</b>	<b>81,397</b>

**(a) Renewal**

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

**(b) Upgrade**

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

## Certification of the Financial Report

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



**Thurairajah Shanmugapalan CPA**  
Principal Accounting Officer

Dated: 6 September 2012

In our opinion the accompanying financial statements present fairly the financial transactions of Melton Shire Council for the year ended 30 June 2012 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 23 August 2012 to certify the financial statements in their final form.



**Cr. Justin Mammarella**  
Mayor

Dated: 6 September 2012



**Cr. Broden Borg**  
Deputy Mayor

Dated: 6 September 2012



**Kelvin Tori**  
Chief Executive Officer

Dated: 6 September 2012



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 Shire Council

#### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2012 of Melton Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2012 of the Council which comprises the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

#### *The Councillors' Responsibility for the Financial Report and Standard Statements*

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

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the 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 and standard statements that are 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 and standard statements 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 whether the financial report and standard statements are free from material misstatement.

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

- the appropriateness of the accounting policies used in the financial report
- the reasonableness of accounting estimates made by the Councillors
- the overall presentation of the financial report and standard statements.

### Independent Auditor's Report (continued)

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

#### *Independence*

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

#### *Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Melton Shire Council as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

#### *Basis of Accounting for Standard Statements*

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

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

This auditor's report relates to the financial report and standard statements of the Melton Shire Council for the year ended 30 June 2012 included both in the Melton Shire Council's annual report and on the website. The Councillors of the Melton Shire Council are responsible for the integrity of the Melton Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
12 September 2012

  
D D R Pearson  
Auditor-General



[www.melton.vic.gov.au](http://www.melton.vic.gov.au)

**Civic Centre**  
232 High Street  
Melton  
T 03 9747 7200  
F 03 9743 9970

**Civic Centre**  
193-201 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  
Email: [csu@melton.vic.gov.au](mailto:csu@melton.vic.gov.au)