



18

A THRIVING COMMUNITY WHERE EVERYONE BELONGS

19

MELTON
CITY COUNCIL
ANNUAL REPORT
2018/2019



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Acknowledgement of Country

Melton City Council acknowledges First Nations peoples living and working in Melton. Council recognises the people of the Kulin Nations as the original custodians of the land now known as City of Melton. On behalf of the municipality, Council pays respect to their Elders, past, present and future.

Where is the City of Melton?



OUR OFFICES

Melton Civic Centre
232 High Street, Melton
03 9747 7200

Melton Library and Learning Hub
31 McKenzie Street, Melton
03 9747 7200

Caroline Springs Library and Learning Hub
193 Caroline Springs Boulevard, Caroline Springs
03 9747 7200

PO Box 21 Melton
Victoria 3337
ABN 22 862 073 889
melton.vic.gov.au
csu@melton.vic.gov.au

City of Melton Snapshot

52

BABIES BORN IN THE CITY OF MELTON
EACH WEEK

5.4%

ESTIMATED ANNUAL GROWTH RATE

164,984

POPULATION AS AT 30 JUNE 2019

TOP FIVE COUNTRIES OF BIRTH –
INDIA, PHILIPPINES, UNITED KINGDOM,
NEW ZEALAND AND MALTA

495

EQUIVALENT FULL-TIME EMPLOYEES

51,878

RATEABLE PROPERTIES AS AT 30 JUNE 2019

TOP FIVE LANGUAGES SPOKEN AT HOME –
FILIPINO/TAGALOG, VIETNAMESE, PUNJABI,
MALTESE AND ARABIC

7 families

MOVE INTO THE CITY OF MELTON
EACH DAY

GROWTH

THE CITY OF MELTON WAS THE **THIRD FASTEST GROWING** MUNICIPALITY IN VICTORIA

5.4%

HILLSIDE INCREASED BY 1,238 OR 5.4 PER CENT

8.1%

MELTON SOUTH INCREASED BY 2,140 OR 8.1 PER CENT

59%

THE ROCKBANK-MOUNT COTTRELL AREA WAS AUSTRALIA'S FASTEST GROWING LOCALITY – INCREASED BY 2,405 OR 59 PER CENT

485,061

POPULATION PROJECTIONS INDICATE THAT THE CITY OF MELTON POPULATION WILL BE MORE THAN 485,061 BY 2051, MAKING IT LARGER THAN THE SIZE OF CANBERRA TODAY

BUSINESS / EMPLOYMENT

8,600+

LOCAL BUSINESSES

30,000+

LOCAL JOBS

71,000+

EMPLOYED RESIDENTS

ONE IN THREE
LOCAL WORKERS
WERE BORN
OVERSEAS



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WELCOME AND INTRODUCTION TO MELTON CITY COUNCIL'S ANNUAL REPORT FOR 2018/2019

Welcome to Melton City Council's 2018/2019 Annual Report. Council is committed to transparent reporting and accountability to the community.

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

THEMES

Theme 1

A proud, inclusive and safe community

Theme 2

A thriving and resilient natural environment

Theme 3

A well planned and built City

Theme 4

A strong local economy and a lifelong learning City

Theme 5

A high performing organisation demonstrating leadership and advocacy

VISION

A thriving community where everyone belongs

MISSION

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

OUR VALUES

Continuous improvement

We encourage and support innovation and creativity

We commit to driving continuous improvement

We constantly review what we do

We embrace and respond to change as it occurs

We strive to deliver the best possible outcomes

Recognition

We recognise and encourage the contributions of others

We actively support and promote our colleagues

We acknowledge and reward employees exceeding performance expectations

We give credit where credit is due

We celebrate success

Accountability

We work in an open and transparent manner and follow through on commitments

We take responsibility for our personal decisions and actions

We adhere to policies and procedures

We make the best use of our time and resources

We all take responsibility for the way we treat each other

Fairness

We show respect when speaking to and about others

We build trusting and productive relationships

We deal with others fairly and consistently

We actively listen and respond appropriately

We respect all people and celebrate our diversity

Teamwork

We help each other to achieve organisational goals

We involve team members in solving problems and decision-making

We encourage everyone's contribution to the team

We communicate clearly, openly and respectfully

We provide positive, constructive and timely feedback

MESSAGE FROM THE MAYOR

On behalf of my fellow Councillors, it gives me great pleasure to present Melton City Council's 2018/2019 Annual Report.



We are extremely proud of our accomplishments over the past year and the positive outcomes we achieved for our residents.

Council completed a number of major projects that saw the delivery of much needed community infrastructure, including the opening of Westwood Drive road and bridge, and the Caroline Springs Leisure Centre redevelopment and Sub-regional Tennis Facility. We completed construction of the City Vista Sports Precinct; Kurunjang Community Hub, and playspaces at Hannah Watts Park, Bill Cahill Reserve and Arnolds Creek; and officially opened the redeveloped Melton Town Centre.

We installed lights around Lake Caroline, commenced works on the Diggers Rest Kindergarten extension, and stage one of the long-awaited Eynesbury Recreation Reserve; all while continuing to redevelop Macpherson Park; Toolern Vale.

These exciting projects were delivered as part of Council's biggest capital works program to date, and complement more than 120 community services Council offers, like Maternal and Child Health, Social Support Groups for older residents, programs for teens, and community events including Djerriwarrh Festival, Carols by Candlelight and PopCulture. We also held arts exhibitions, a highly successful business summit, celebrated Harmony Day, Reconciliation Week and International Women's Day, and also held a record number of citizenship ceremonies throughout the year, welcoming around 1,200 new citizens to our community.

On the advocacy front, Council drove some highly successful campaigns that raised awareness in two key areas: health and roads infrastructure.

Build Melton Hospital ran for 100 days in the lead up to the State election, saturating print media, television and radio, and collecting 22,000 signed petitions supporting the campaign. The result? A \$2.3 million commitment by the State Government to prepare a business case for the development of a 24-hour public hospital in the City of Melton—an outstanding outcome by anyone's standards.

Our *Upgrade Western Highway* campaign helped raise awareness around the urgent need for upgrades to the Western Highway in our City. Over 4000 petitions were signed in support of the campaign, which highlighted the need for interchanges at Bulmans Road, Mt Cottrell Road, a pedestrian overpass at Arnolds Creek; road improvement works and the removal of at-grade infrastructure between Deer Park and Melton West; along with future planning for additional lanes, an interchange at Harkness Road and an overpass at Paynes Road.

On behalf of my fellow Councillors, I would like to take this opportunity to thank our residents for their support over the past twelve months, and our Executive Team and staff for the delivery of the quality services we have come to expect.



Cr Bob Turner
Mayor
City of Melton

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

On behalf of Melton City Council, I am pleased to present this Annual Report which outlines our organisational performance in 2018/2019.



Once again, we have achieved excellent financial results throughout the year with Council managing an impressive operating surplus of \$216.2 million—\$59.3 million higher than the previous year.

This result was predominantly driven by developer contributions and land sales stemming from Council's highly successful joint venture agreement with LendLease Communities, a partnership that has overseen the development of Atherstone; a 4,300-lot, masterplanned community spanning across both Cobblebank and Strathtulloh.

This joint venture underpins Council's capacity to deliver community infrastructure at an unprecedented rate, and was complemented by almost \$5 million in funding from the State Government through their Growing Suburbs Fund; a welcome acknowledgement of the years of advocacy and lobbying Council has undertaken on behalf of our residents.

This past financial year, we continued to deliver an impressive range of community services within a recurrent budget of \$134 million. We also invested in new and renewal infrastructure projects totalling \$77 million, including roads (\$17.15 million); bridges (\$4.71 million); recreational, leisure and community facilities (\$24.67 million); and footpaths and cycle ways (\$1.15 million).

As promised, we delivered several major infrastructure projects, including Westwood Drive road and bridge, City Vista Sports Precinct, the extension of Caroline Springs Leisure Centre and sub-regional tennis complex, Kurunjang Community Hub and a number of playspaces across the City. We also commenced the redevelopment of the Macpherson Park Regional Facility (stage 1); and Eynesbury Recreation Reserve (stage 1).

Organisationally, Council maintained its high standards of service delivery through a strategic approach to understanding community needs. Following a service review, additional resources were allocated to our Planning and Engineering departments to help manage the challenges and demands experienced as a result of our sustained residential growth, and subsequent increase in housing construction.

The transformation of Council's Information Technology systems also continued, delivering increased benefits in efficiency and streamlining processes both online and over the counter.

Pleasingly, the results from the annual household survey, conducted by independent consultants, achieved very strong results and indicated the community's general satisfaction with Council's performance across all sectors; a positive outcome I know the organisation is extremely proud of.

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

I'd also like to acknowledge and thank our Councillors for the positive manner in which they partnered with staff to ensure our community is well serviced, and for their strategic guidance and organisational leadership.

Looking ahead, I'm confident that the next financial year will not only continue to bring new and exciting opportunities for our community, but will almost certainly see Council deliver some outstanding outcomes for our residents, further cementing our City as one of Melbourne's most desirable places live, work and play.



Kelvin Tori
Chief Executive Officer
Melton City Council

01

Theme 1

A proud, inclusive and safe community

Strategic Outcome

A City of people leading happy and healthy lives

- Completed the following projects:
 - Pride of Melton
 - Kurunjang Community Hub
 - Hannah Watts Park redevelopment
 - Lake Caroline lights
 - Burnside Heights Children's & Community Centre
- Delivered a publication to celebrate the City of Melton's history
- Conferred citizenship to 1,302 residents
- Delivered five, new female friendly change rooms at sports facilities across the municipality

02

Theme 2

A thriving and resilient natural environment

Strategic Outcome

A City that preserves and enhances its natural environment for future generations

- Delivered the inaugural Nature Stewards Program to help improve community understanding of the City's unique natural environment
- Continued to support local environmental groups and schools by delivering a range of environmental programs and activities

03

Theme 3

A well planned and built City

Strategic Outcome

A City with a clear vision to manage growth in a sustainable and accessible way

- A fitness circuit around Lake Caroline was built to encourage physical activity
- The Caroline Springs sub-regional tennis facility was completed
- Westwood Drive roadway and bridge opened, providing an alternative north-south link between the Western Highway and Taylors Road
- New footpaths totalling 96,670 metres were installed throughout the municipality
- Play spaces at Bill Cahill, Arnolds Creek and Allenby Road Reserve were completed

04

Theme 4

A strong local economy and lifelong learning City

Strategic Outcome

A City rich in local employment and education opportunities

- The 2018 Djerriwarrh Festival attracted a record attendance of more than 30,000 people, recording a community satisfaction rating of 96%
- The inaugural Lifelong Learning festival was held in October 2018
- Delivered the Hot House Project, a free training and mentoring pilot program for business start-ups
- Unemployment in the City of Melton declined to the lowest rates in four years. A record high of 2,296 local jobs were advertised by businesses in the municipality

05

Theme 5

A high performing organisation demonstrating leadership and advocacy

Strategic Outcome

An organisation operating with innovation, transparency, accountability and sustainability

- Council's advocacy work resulted in Government commitments including a business case for a new public hospital in Melton, the Western Rail Plan and new primary schools
- Progress was made on the development of the Cobblebank and Rockbank rail stations, which are part of the Melton Rail Duplication Project

INTRODUCTION TO THE ANNUAL REPORT

The year in review (page 16) provides an overview of our operations in 2018/2019. It includes a summary of how we spent your rates, a financial summary for the year and information about our sustainability, our challenges and the future, our community satisfaction survey, event highlights and Australia Day Awards.

Our City (page 28) provides information about the City of Melton, our Councillors and the workings of Council.

Our People (page 41) provides information about the organisation, its leaders, our employees and our organisational culture. It also includes information about our volunteers.

Our Performance (page 50) gives detail about how we have delivered on the themes, objectives and strategies in the 2017-2021 Council and Wellbeing Plan.

Governance and Management Information (page 79) provides information on our organisational governance including audit and statutory information.

Performance Statement (page 93) includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures and an explanation of material variations in the results.

This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

Annual Financial Report (page 92) contains the audited financial statements we are required by law to provide.



OUR SERVICES

Theme 1

A proud, inclusive and safe community

- Families and Children
- Community Care
- Community Planning
- Recreation and Youth

Theme 2

A thriving and resilient natural environment

- City Design, Strategy and Environment
- Operations

Theme 3

A well planned and built City

- Engineering Services
- Planning
- Capital Projects
- City Design, Strategy and Environment

Theme 4

A strong local economy and a lifelong learning City

- Libraries
- Engagement and Advocacy
- Community Planning

Theme 5

A high performing organisation demonstrating leadership and advocacy

- Compliance
- Engagement and Advocacy
- Finance
- Information Services
- People and Culture
- Executive and Councillors
- Legal and Governance
- Risk and Performance

More detail about Our Services is provided in Our Performance commencing on page 50.

OUR STAKEHOLDERS

STAKEHOLDER

Community groups and volunteers

Connect us with our community

Encourage community participation

Help with planning and advocacy

Contribute to the development of strategies, policies and programs

Government – Federal, State and other councils

Provide resources, guidance, legislation and regulations

Support partnerships and networks

Ratepayers / Residents

Provide funding for local services and infrastructure

Give feedback about local issues

Use the services we provide

Tell us about the issues most important to them

Local businesses

Invigorate the local economy and provide employment

They are important to us because they ...

We are important to them because we ...

Provide support and resources

Develop services, strategies, policies and programs in response to advice

Build social inclusion and environmental sustainability

Improve the wellbeing of Melton residents

Provide local services

Drive local economic growth

Reduce unemployment

Create networks

Stimulate tourism

Provide local data and information

Provide services and infrastructure

Encourage local economic growth

Consult widely to find out what is most important to them

Support job creation

Encourage new businesses

Run development and education sessions

Host networking events

Issue permits

We engage with this group via ...

Advisory committees and reference groups

Workshops

Community meetings and forums

Face-to-face meetings

Online

Formal legislative reporting

Partnerships

Meetings

Briefings

Networking events

Correspondence

Rates notices

Community forums

Publications, including the Annual Report

Website

Mail-outs

Consultation sessions/ meetings

Customer service centres

Telephone

Council meetings

Council's economic development unit and health teams

Council's business incubator

Trade associations

Consultation sessions

Networking events

Surveys and face-to-face meetings

Visitors to Melton	Suppliers	Media	Customers	Employees and their representatives
<p>Invigorate the local economy by visiting, shopping and studying in Melton</p>	<p>Provide goods and services</p>	<p>Help us communicate with our community and raise awareness of services, facilities and events</p>	<p>Use our services and facilities and provide feedback for improvement</p>	<p>Bring experience and knowledge to the organisation and are crucial to our delivery of services</p>
<p>Provide good quality products, services and facilities</p>	<p>Purchase their goods and services</p>	<p>Provide local data and information</p>	<p>Provide services and facilities and host events</p>	<p>Provide a challenging and rewarding work environment, training, career progression, equal opportunity employment and work/life balance</p>
<p>Events, publications, Council website and social media channels</p>	<p>Contract management, face-to-face, public notices, networking groups, online tender and quotation process</p>	<p>Media releases, briefings, interviews, social media, Council meetings</p>	<p>Customer surveys, face-to-face customer service, our website, publications, and our telephone call centre</p>	<p>Newsletters, intranet, email, meetings, surveys, performance reviews, events and meetings with union representatives</p>



THE YEAR IN REVIEW

A Summary of how we spent your rates in 2018/2019 17

2018/2019 Financial Summary 18

Economic Factors 20

Major Changes 20

2018/2019 Capital Works 22

Sustainability Statement 24

Challenges and the Future 25

Community Satisfaction Survey 26

Events 27

What you got for \$100

We delivered a broad range of services to our diverse community of residents, traders, business owners and visitors. This list show how rates revenue was spent across these services for every **\$100 spent in 2018/2019**.



2018/2019 FINANCIAL SUMMARY

Melton City Council's equity increased by \$350 million in 2018/2019. At the end of the financial year, Council's net worth to the community was \$2.49 billion.

\$2.49b

NET WORTH

OPERATING POSITION

Council achieved an operating surplus of \$216.2 million for 2018/2019. This is \$59.3 million higher than the previous year.

The result was largely driven by an increase in non-monetary developer contributions.

LIQUIDITY POSITION

Council's cash position at 30 June 2019 was a healthy \$117.5 million. Council holds a further \$62.4 million in term deposits with a maturity of over three months classified as other financial assets.

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

For 2018/2019 this measure was 571 per cent. A ratio higher than 100 per cent means there is more cash and liquid assets than short-term liabilities.

\$216.2m

OPERATING SURPLUS

\$117.5m

CASH

\$9.5m

SPENT ON INFRASTRUCTURE RENEWAL

LIQUIDITY RATIO



FINANCIAL SUMMARY

Council maintains its infrastructure assets at expected levels while delivering essential services and new infrastructure required for a growing community.

In 2018/2019, Council spent \$9.5 million in infrastructure renewal and \$72.6 million on capital works projects.

At the end of the financial year, Council had \$15.9 million in outstanding borrowings.

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

In 2018/2019 the indebtedness ratio was under 14.5 per cent.

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

ASSET RENEWAL RATIO

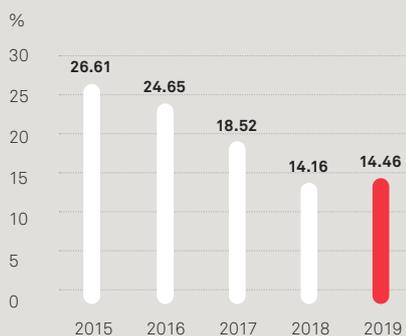
This is a measure of Council's expenditure on maintaining existing assets as a percentage of depreciation expenses.

Council's renewal expenditure is appropriate to the age and condition of its assets.

STABILITY

Council's revenue stream comprises of rates, land sales, grants and contributions, fees, fines and charges. Rates form a significant part of Council's revenue stream. Council maximises income from other sources, investments, government grants and contributions to reduce its dependence on rates revenue. The stability ratio is slightly lower in 2018/2019 due mainly to fewer land sales.

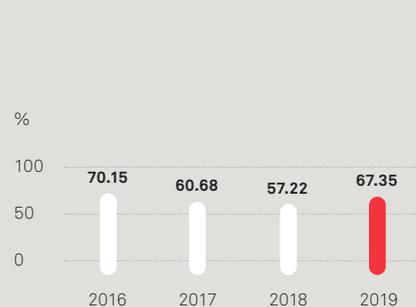
INDEBTEDNESS RATIO



ASSET RENEWAL RATIO



PERCENTAGE OF RATE INCOME ON UNDERLYING REVENUE



ECONOMIC FACTORS

The rate of population growth in the City of Melton remained strong during 2018/2019 at approximately 5 per cent per annum. Ongoing low interest rates for owner-occupied housing benefited the residential housing market, and early signs of recovery were seen after the slump in property prices in 2017/2018.

Land sales at Atherstone, Council's joint venture project with Lend Lease Communities, contribute significantly to Council's strong fiscal position, despite reduced sales following the previous year's peak. Atherstone continues to lead estate sales in Melton.

The Government's imposed rate capping on Victorian councils continued. This negatively impacted Council's capacity to deliver on its commitment to early provision of infrastructure in new communities.

MAJOR ACHIEVEMENTS

A commitment from the State Government to fund a business case for a public hospital in Melton was welcomed by Council.

Progress was made on the development of the Cobblebank and Rockbank rail stations, which are part of the Melton Rail Duplication Project. These stations are due to open in 2019/2020.

MAJOR CHANGES

A number of organisational changes occurred at Council particularly in the Planning, Engineering and Subdivision areas. Additional resources were provided to meet the growing demand on these areas, which are a result of increasing housing construction within the municipality.

Council continues to record a high level of approval from the development industry through the UDIA Health Check outcomes.

The transformation of Council's information technology systems continued, resulting in benefits in efficiency and streamlined processes.





2018/2019 CAPITAL WORKS



Caroline Springs Leisure Centre Extension and Tennis Complex

This project delivered two additional indoor high-ball sports courts bringing the total to five, along with a 12 court regional tennis complex to address the needs of the City's growing community. The total project cost of \$12 million included \$2.5 million from the State Government's Growing Suburbs Fund.



Westwood Drive Bridge

Westwood Drive Bridge opened in December 2018 to reduce traffic congestion on Caroline Springs Boulevard.



City Vista Recreation Reserve

Construction of the \$13 million City Vista Sports Precinct was completed in 2018/2019 to increase local participation in soccer at a high playing level. This state-of-the-art facility features two synthetic and two natural grass soccer pitches, a pavilion, commercial kitchen, car park, pathways and landscaping. The project is a partnership with George Cross Football Club, which contributed \$1 million to the project and will provide ongoing maintenance.



MacPherson Park redevelopment

Stage one commenced on the \$12 million MacPherson Park redevelopment, which will revitalise the eastern part of the recreation reserve.

Once complete, the redevelopment of this regionally significant reserve will include a double-storey sports pavilion for football, cricket and netball. It will also include car parking, landscaping, paving and plantings, seating and bike racks, a new multi-purpose synthetic oval and new netball court with lighting, a smaller netball training court, and sheds and shelters.

Funding contributions include \$2 million from the State Government's Growing Suburbs Fund and \$100,000 from Sport and Recreation Victoria.



Burnside Children's and Community Centre

Stage two of the Burnside Children's and Community Centre upgrade was completed in October 2018. Works included a 550 square metre extension to the centre, providing an additional community meeting space and broadening the potential usage options within a dynamic community.



Kurunjang Community Hub

The Kurunjang Community Hub was completed in 2018/19. Featuring community rooms, meeting space, commercial-grade kitchen, garden, cafe and classroom, this Hub is purposefully designed to meet the needs of this local area.



Playspace upgrades and developments

Playspaces were upgraded in 2018/2019 at Allenby Road Reserve, Hannah Watts Park, Arnolds Creek and Bill Cahill playspace.



Timbertop Children's and Community Centre

The Timbertop Children's and Community Centre will become a new hub for young families when it opens in late 2019. The centre will include four rooms for kindergarten services, two maternal and child health consulting rooms, a library kiosk, community rooms and spacious areas, and a connecting kitchen for community use.

SUSTAINABILITY STATEMENT

At Melton City Council, we integrate sustainability into all aspects of our work. Along with acting in an environmentally sustainable way, we consider the social and financial impacts of our activities and ensure that they are also sustainable.

SOCIAL SUSTAINABILITY

To be socially sustainable, Council aims to develop programs and infrastructure that meet the needs of its community now and into the future. Council fosters a socially sustainable community that is equitable, safe, diverse, connected and inclusive.

Council offers a range of initiatives to support the health and wellbeing of its community. Policies, strategies and programs are in place to support a growing population, address social inequities, increase physical activity, celebrate cultural diversity and Indigenous culture, promote gender equality and community safety, encourage healthy eating and build community leadership.

WORKPLACE SUSTAINABILITY

Providing a safe and healthy workplace where employees can grow and prosper is critical to the development of an appropriate corporate culture. Council provides a mechanism to allow for work/life balance and openly explores flexible working arrangements. Council's policies, procedures and frameworks promote health and wellbeing, learning and development, and leadership development. Policies and procedures protect employees from discrimination, harassment and bullying in the workplace.

More information about Council's workforce is available in the Our People section of this Report.

ENVIRONMENTAL SUSTAINABILITY

Council is committed to protecting and enhancing its natural environment including grasslands, woodlands and waterways. Melton's community values the City's natural spaces and wants to ensure they are preserved, accessible and welcoming now and for future generations.

Council recognises the many benefits of the natural environment, including for health and wellbeing. It also recognises the adverse impacts of climate change and is committed to actively taking steps to reduce its effects. In coming years, as climate change and high rates of development impact the local environment, environmental sustainability will continue to be a strong focus of its work. In 2017, Council adopted its Environment Plan, a 10-year strategy that sets a number of goals in the areas of biodiversity, waste, water and climate change.

The principles outlined in the plan ensure environmental sustainability is considered in all of Council's services and operations.

The *Environment Plan* is available on Council's website.

ECONOMIC SUSTAINABILITY

A healthy and resilient local economy helps to ensure a better quality of life for residents. Council has a lead role in stimulating the local economy to build community pride and prosperity.

To support the economic sustainability and resilience of Melton's local economy, Council has developed a range of strategies and programs. These revolve around creating meaningful and enriching programs that support and inspire businesses to start, grow, connect and excel. Council's vision is for the City of Melton to have the most connected and supported business community in Australia.

The *Economic Development and Tourism Plan 2014-2030* provides the overarching framework; specific strategies relating to ongoing economic sustainability are detailed in the *Council and Wellbeing Plan 2017-2021*.

These documents are available on Council's website.

FINANCIAL SUSTAINABILITY

As well as its focus on the external economy, Council works hard to manage its financial sustainability. Sustainability principles are applied to procurement, operational efficiency, financial planning, and asset management.

Strategies and policies are implemented to ensure the organisation's long-term financial sustainability. More information is available in the Financial Report section of this Annual Report.

CHALLENGES AND FUTURE OUTLOOK

Council was faced with the following challenges in 2018/2019:

- Managing its growing population
- Advocating for improved health facilities and services, particularly Melton Hospital
- Advocating for improved transport, particularly the upgrade of the Western Highway and Melton Highway
- Delivering key community infrastructure at the right time
- Addressing family violence and community perceptions of safety
- Providing facilities appropriate to accommodate growth in participation of women in sport

Council is looking ahead to 2019/2020 and plans to undertake the following actions:

- Continue to advocate for the electrification of the Melton rail line, Melton Hospital, more schools and road improvements
- Foster community pride through significant streetscape improvements and projects
- Develop Urban Development Frameworks for major town centres in growth areas
- Complete projects identified in the Capital Works Plan
- Undertake service reviews to identify efficiencies and cost-saving opportunities
- Maximise funding from State and Federal governments to support the provision of community infrastructure
- Develop a Service Planning Framework



COMMUNITY SATISFACTION SURVEY

Council has commissioned a Community Satisfaction Survey annually since 2014/2015. The survey is conducted door-to-door with at least 800 households approached at random in equal numbers from across the nine precincts of the municipality.

Completed between April and June each year, respondents broadly represent the City's community profile.

The survey measures the importance of Council's services and facilities, and then satisfaction with:

- 39 Council services and facilities
- Council's governance and leadership
- Customer service
- Planning for population growth
- Planning and housing development and
- Performance of Council 'across all areas of responsibility'.

Participants identify current issues of importance, and how they impact on satisfaction with Council. The survey also measures community perception of key issues including safety, sense of community, traffic and parking, food security and housing stress. The survey also captures participants' agreement with statements about Melton City Council and the community, and their views around family violence.

This information is used for Council performance reporting purposes and plays an integral role in annual strategic planning activities.

The top three issues identified by the community in 2019 were:

- **Traffic management** – 25.4% compared to Melbourne metro 20.3%
- **Safety, policing and crime** – 11.2% (down from 19.8% in 2018) compared to Melbourne metro 6.3%)
- **Maintenance of parks, gardens and open space** – 9.2% (up from 8.1% in 2018) compared to Melbourne metro 6%

Thirty-eight per cent of participant comments identified the need for a Melton hospital and increased health services availability.

More information about the Annual Community Satisfaction Survey is available on Council's website.

6.87 / 10

SATISFACTION WITH COUNCIL'S OVERALL PERFORMANCE (2019)

6.89 / 10

SATISFACTION WITH GOVERNANCE AND LEADERSHIP (2019)

7.52 / 10

AVERAGE SATISFACTION WITH SERVICES (2019)

EVENT HIGHLIGHTS



Djerriwarrh Festival

More than 35,000 people turned out for the 2018 Djerriwarrh Festival on 10 November at Melton Recreation Reserve. This much-loved annual event featured a street parade down High Street, main stage entertainment, a market stall village and pet expo. Festival-goers enjoyed food from around the world and a bonfire. Highlights also included the Lion's Club Carnival and a spectacular firework display that closed another successful event.



Harmony Day

Council celebrated the municipality's rich diversity with a number of events in March. Harmony Day marked the start of Cultural Diversity Week, held between 17-25 March. Council hosted a community event at Morton Homestead on Saturday 16 March, featuring food and performances from around the world, African drumming, henna tattooing, face painting and children's activities.



Summersault

Summersault was held on 9 February in Caroline Springs. The event featured music, food, artisan shopping, rides and amusements. More than 100 specialty stalls came together to create the Twilight Market Village, and food vendors from around Melbourne fed the crowd. Main Stage entertainment included live music sets from Horns of Leroy, Maddy Jane, Public Opinion Afro Orchestra, Saskwatch, Kingswood and APRA award-winning dance music group The Potbelleez. The event was topped off by a glittery fireworks finale. Council thanks official partners in this alcohol-free family event including Woodlea, SES, CFA and Victoria Police.



Carols by Candlelight

City of Melton residents were treated to a festive evening at the 2018 Carols by Candlelight on 1 December. The free event at Melton Recreation Reserve showcased community performances from local primary school students, choirs and musicians. Entertainment was provided by artists including Lucca Franco, Al Wilkinson and Lheon along with children's entertainers The Mik Maks, and a visit from Santa.



Celebrating Australia Day

The City of Melton welcomed 180 new residents during the annual Citizen Ceremony as part of Australia Day celebrations on 26 January.

Community Achievement Award recipients were recognised for their contribution to the City and their communities, including:

- Citizen of the Year: Maureen Mohr
- Young Citizen of the Year: Brandon Rogers and Emily Attard
- Access and inclusion Leader of the Year: Shalini Ashika Kumar
- Gender Equity Leader of the Year: Tiff Lykke
- Intercultural Engagement Leader of the Year: Belinda Marshall

Events and celebrations are important for connecting our community and creating a sense of belonging for all our residents. In 2018/2019, our major events were again successful in bringing the community together.



OUR CITY

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ABOUT THE CITY OF MELTON

The City of Melton is within a comfortable driving distance north-west of Melbourne's central business district (CBD). The City's residential population is currently concentrated in Melton township and Melton east districts.

Council's traditional population centre, Melton township, comprises the suburbs of Melton, Melton West, Melton South, Kurunjang and Brookfield and is centred on the Melton major activity centre, around 35 kilometres north-west of Melbourne's CBD. The township continues to grow while preserving features of its rural heritage.

The City of Melton's eastern corridor is centred around the major activity centre of Caroline Springs, approximately 19 kilometres north-west of the Melbourne CBD. The eastern corridor includes the suburbs of Burnside, Burnside Heights, Caroline Springs, Hillside and Taylors Hill. This district has been the focus of most of the population growth over the past two decades. Increasingly, the focus of development is in the growth suburbs of Harkness, Aintree, Cobblebank, Fraser Rise, Strathtulloh, Thornhill Park and Weir Views.

Melton also has a number of significant rural areas including Parwan, Plumpton, Mount Cottrell, Exford and parts of Diggers Rest, Toolern Vale and Eynesbury.

OUR HISTORY

The City of Melton has a rich Aboriginal heritage that dates back over 40,000 years. Three different but related language groups, each made up of a number of individual clans, lived in areas now covered by western region councils. These language groups include Woiwurrung (Wurundjeri), Wadawurrung and Boonwurrung. Aboriginal and Torres Strait Islander City of Melton residents are likely to have come from many places from across Australia. Historically and today, the inheritance of cultural practice for next generations is important and encourages links to people and places. Aboriginal stone tools and camp sites have been found along local water courses, as well as a number of scarred trees where bark was taken for making canoes, carrying containers, shields and shelters. There are a number of Aboriginal heritage sites in the City of Melton including the Melton Valley Golf Course canoe scar tree, the Bullum Bullum campsite in Burnside, and the site of the area's last known corroboree of 1863 in Hannah Watts Park, Melton.

The first European settlers arrived in 1830. By 1862, Melton was created as a district, which would develop a rich pastoral and farming heritage. This era is still evident with numerous pastoral homesteads, dry-stonewalls and dams still remaining. In 1974, Melton was declared Melbourne's first satellite city. Extensive suburban development led to a major increase in population through the 1980s. Throughout the last decade, the municipality has continued to experience unprecedented population growth and is currently recognised as one of the fastest growing municipalities in Australia. In acknowledgement of Melton's fast growth, Melton Shire Council was granted city status by the State Government in September 2012 and is now known as Melton City Council.

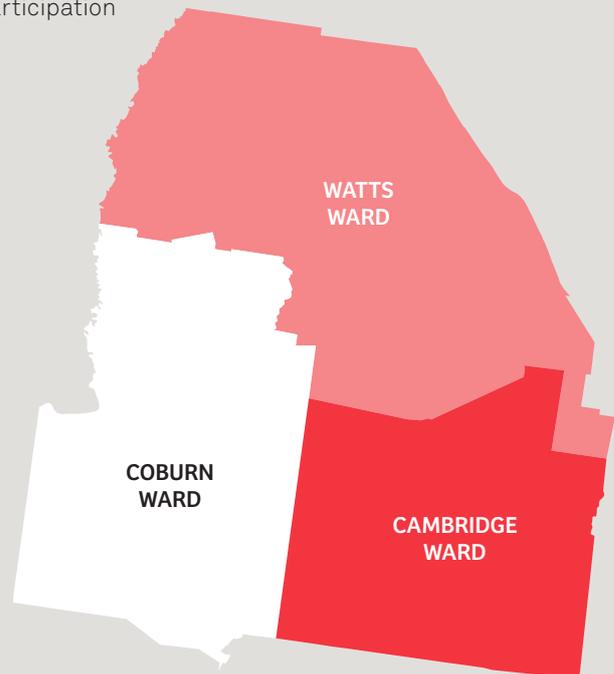
THE ROLE OF COUNCIL

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

MELTON CITY COUNCIL

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

The City of Melton is comprised of three wards, each represented by democratically elected Councillors to serve a four-year period.



COUNCILLOR VACANCIES AND APPOINTMENTS

In 2015, the Victorian Electoral Commission (VEC) completed an election representation review of Melton City Council and recommended that it change to consist of nine councillors elected from one four-councillor ward, one three-councillor ward and one two-councillor ward. An Order in Council made by the Governor in Council was published in the *Victoria Government Gazette* on

14 April 2016 implementing the recommendation of the VEC to the Minister for Local Government with effect at the next general election of the Melton City Council.

The Local Government General Election was held on 22 October 2016, resulting appointments of the Melton City Council listed on page 32 and 33.

Healthy.

OUR COUNCILLORS

COBURN WARD



Mayor, Cr Bob Turner

First elected November 2008

0412 584 224

bob.turner@melton.vic.gov.au

Cr Turner is a strong advocate for improving our transport system, in particular, the frequency and duplication of the local train service and better local bus linkages. He also supports duplication of the Melton Highway and an upgrade to the Western Highway. Cr Turner supports improvements to local health services and campaigns for a public hospital in Melton as well as an increased police presence in the City of Melton.

Cr Turner seeks to keep rate rises to a minimum while still being able to deliver services the community needs. He is passionate about the health and wellbeing of young people, especially in the areas of training and education.



Cr Ken Hardy

First elected November 2016

0437 226 887

ken.hardy@melton.vic.gov.au

Cr Hardy aims to address challenges to Melton's future growth, high youth unemployment rates, and the lack of a public hospital and TAFE institution. He supports the development of a precinct for a public/private and allied health service facility in the municipality and advocates for re-introducing university TAFE education to boost local apprenticeships, technical and tertiary qualifications. Co-locating health, education and employment within Melton will drive a quality of life for all.



Cr Sophie Ramsey

First elected October 2001

0412 584 067

sophie.ramsey@melton.vic.gov.au

Cr Ramsey is a strong voice for the community and strives to make the most vulnerable and isolated heard. She is a tireless advocate for a hospital and tertiary and TAFE educational facility for Melton as well as more local investment into local jobs. Cr Ramsey believes that the City of Melton's community is its greatest asset.



Cr Yvonne Sebire

First elected 12 June 2019

0455 622 581

yvonne.sebire@melton.vic.gov.au

Cr Sebire supports increasing sustainable and innovative entertainment, health, transport and sporting facilities in the municipality. She advocates for a rural/city-blended lifestyle, a place for families and businesses to grow. She has a strong focus on youth and safety for residents.



Former Cr Melissa De Santis

First elected November 2016 – Resigned 9 May 2019

Cr De Santis was an advocate for youth services and family safety improvements during her time on Council. She supported the upgrade/duplication of the Melton Highway and better rail services. She also supported the creation and attraction of local industries and jobs.

CAMBRIDGE WARD



Cr Steve Abboushi

First elected November 2016
0437 231 680
steve.abboushi@melton.vic.gov.au

Cr Abboushi is passionate about ensuring the community's most vulnerable and disenfranchised residents have a voice and are represented in key Council issues. He is particularly interested in relieving the cost of living pressures faced by residents. Cr Abboushi loves this community – the parks, gardens and lakes – and is proud of the achievements and passion of this City's residents.



Cr Goran Kesic

First elected November 2016
0437 241 436
goran.kesic@melton.vic.gov.au

Cr Kesic is an advocate for the construction of infrastructure, more police patrolling local streets, a 24-hour police station, a new aquatic centre, more sporting facilities, local jobs, and the permanent closure/relocation of the Ravenhall landfill site.



Cr Kathy Majdlik

First elected November 2008
0412 584 058
kathy.majdlik@melton.vic.gov.au

Cr Majdlik is passionate about ensuring that the community and residents have access to the best disability support programs and services available. She strives to create a better future for the local region by making decisions that help families thrive in a happy, healthy and safe environment. Local employment and policy development are important to Cr Majdlik.

WATTS WARD



Deputy Mayor, Cr Lara Carli

First elected October 2012
0409 951 020
lara.carli@melton.vic.gov.au

Cr Carli aims to further engage the City's growing community so needs are met and ensure Council delivers appropriate, affordable projects that benefit residents. The health, safety and wellbeing of the community are important to Cr Carli.



Cr Michelle Mendes

First elected November 2016
0437 249 824
michelle.mendes@melton.vic.gov.au

Cr Mendes aims to improve the community by increasing the number of local primary and secondary schools, and opening the Caroline Springs Police Station 24 hours per day. She also advocates for further duplication of the Melton Highway.

COUNCIL MEETINGS

Ordinary meetings of Council are held each four weeks. From the beginning of 2019, meeting locations alternated between Council Chambers at 232 High Street, Melton and the Burnside Community Hall, 23 Lexington Drive, Burnside. Council meetings are open to the public.

Presided over by the Mayor as chairperson, a range of matters are considered from local planning applications through to advocacy work targeting State and Federal governments. For any agenda item requiring a resolution of Council, a vote among Councillors occurs, through which the powers of Council are discharged.

To facilitate and encourage the participation of the community, public questions may be submitted for a response at a Council meeting. Public questions must be received by Council before 5pm on the day of the scheduled meeting via an electronic form on Council's website or in written form deposited in a receptacle at the Melton Civic Centre. The questioner must be in the gallery to receive a verbal response, otherwise a written response will be provided.

Meeting agendas and minutes, including audio recordings, are available on Council's website.

Council meetings in 2018/2019 were held on the dates below. These meetings were Ordinary Meetings of Council except where indicated:

- 23 July 2018
- 20 August 2018
- 10 September 2018
(Special Meeting of Council)
- 17 September 2018
- 15 October 2018
- 1 November 2018
(Special Meeting of Council to elect the Mayor)
- 12 November 2018
- 10 December 2018
- 4 February 2019
- 4 March 2019
- 1 April 2019
- 29 April 2019
- 27 May 2019
- 24 June 2019



COMMITTEES

Committee	Councillor representative	
	November 2017 to October 2018	November 2018 to October 2019
Arts & Culture Advisory Committee	Cr Turner Cr Carli Cr Mendes	Cr Turner Cr Carli Cr Mendes
Audit Committee	Cr Hardy Cr Turner	Cr Hardy Cr Turner (Cr Ramsey – Substitute)
Boral Deer Park Community Liaison Committee	Cr Abboushi	Cr Abboushi (Cr Kesic – Substitute)
CALD Advisory Committee	Cr Turner Cr De Santis	Cr Turner Cr De Santis / Cr Sebire
Caroline Springs Leisure Centre Users Forum	Cr Abboushi Cr Kesic	Cr Abboushi Cr Kesic
CEO Review Special Committee (s86 Special Committee)	Cr Hardy Cr Majdlik Cr Ramsey Cr Turner	Cr Carli Cr Majdlik Cr Ramsey Cr Turner
Community Grants Program – Semi-Annual Grants Assessment Panel	Cr Kesic Cr Ramsey Cr Turner	Cr Carli Cr Kesic Cr Ramsey Cr Turner
City of Melton Community Benefit Program – Grants Assessment Panel (Collingwood)	Cr Carli Cr De Santis Cr Kesic	Cr Abboushi Cr Kesic Cr Majdlik Cr Mendes
City of Melton Community Benefit Program – Grants Assessment Panel (HRV)	Cr Hardy Cr Ramsey Cr Turner	Cr De Santis / Cr Sebire Cr Hardy Cr Ramsey Cr Turner
Community Grants Program – Bi-Monthly Response Grant Panel	Cr Carli Cr Majdlik Cr Mendes	Cr Carli Cr Majdlik Cr Mendes
Community Achievement Awards Assessment Panel	Cr Hardy Cr Turner	All Councillors
Community Learning Board	Cr Majdlik	Cr Majdlik
Community Safety Committee	Cr Hardy Cr Turner	Cr Carli Cr Turner
Councillor Representations Nominations Advisory Committee	All Councillors	All Councillors

COMMITTEES

Committee	Councillor representative	
	November 2017 to October 2018	November 2018 to October 2019
Disability Advisory Committee	Cr Majdlik	Cr Carli Cr Majdlik (Cr Ramsey – Substitute)
Early Years Partnership Committee	Cr Carli	Cr Carli Cr Ramsey
Heritage Advisory Committee	Cr Turner	Cr Turner
Interface Councils	Cr Turner (Cr Hardy & Cr Ramsey – Substitutes)	Cr Turner
Lead West Ltd	Cr Hardy	Cr Carli
LeadWest Committee (s86 Special Committee) (Committee formed May 2019)		Cr Hardy (Cr Ramsey – Proxy)
Leisure Advisory Committee	Cr Abboushi Cr Turner	Cr Abboushi Cr Turner
Mayoral Charity Fund Committee (s86 Special Committee)	Cr Hardy Cr Turner	Cr Carli Cr Turner
Melbourne Regional Landfill Community Reference Group	Cr Majdlik Cr Turner	Cr Majdlik Cr Turner (Cr Kesic – Substitute)
Melton Indoor Recreation Centre	Cr De Santis Cr Ramsey	Cr De Santis / Cr Sebire Cr Ramsey
Melton Waves Reference Group	Cr De Santis Cr Hardy	Cr De Santis / Cr Sebire Cr Hardy
Melton Weir Development Advisory Group	Cr De Santis Cr Hardy	Cr De Santis / Cr Sebire Cr Hardy
Metropolitan Transport Forum	Officer representation	Cr Majdlik Cr Mendes Cr Turner
Metropolitan Waste Management Forum	Cr Turner (Cr Abboushi – Substitute)	Cr Turner (Cr Abboushi – Substitute)
Military Commemoration Investment Advisory Committee (MCIAC)	All Councillors	All Councillors
Municipal Association of Victoria	Cr Majdlik	Cr Majdlik
Municipal Emergency Management Planning Committee	Cr Turner	Cr Turner
Municipal Fire Management Planning Committee	Cr Ramsey (Cr Turner – Substitute)	Cr Ramsey (Cr Turner – Substitute)

Committee	Councillor representative	
	November 2017 to October 2018	November 2018 to October 2019
National Growth Areas Alliance (NGAA)	Cr Hardy Cr Ramsey Cr Turner (Cr Kesic – Substitute)	Cr Carli Cr De Santis / Cr Sebire Cr Turner (Cr Kesic – Substitute)
Policy Review Panel	Cr Carli Cr Hardy Cr Majdlik Cr Turner	Cr Carli Cr Hardy Cr Majdlik Cr Turner
Preventing Family Violence Advisory Committee	All Councillors	All Councillors
Public Hospital for Melton Advisory Committee	All Councillors	All Councillors
Ravenhall Prison Project – Community Advisory Group (CAG)	Cr Abboushi Cr Majdlik	No appointment made – restructure underway
Reconciliation Advisory Committee	Cr Carli Cr De Santis	Cr Carli Cr De Santis / Cr Sebire
Road Safe Westgate	Cr Ramsey	Cr Ramsey
Road to Zero Steering Committee	Cr Carli	Cr Carli Cr Ramsey
Section 223 Submissions Advisory Committee	All Councillors	All Councillors
Transport Reference Group	Cr Majdlik Cr Ramsey Cr Turner	Cr Majdlik Cr Ramsey Cr Turner
Victorian Local Governance Association	Cr Hardy	Cr Carli
Western Highway Action Committee (WHAC)	Cr Mendes	Cr Mendes
Western Melbourne Tourism Board	Cr Ramsey Cr Abboushi	Cr Majdlik
Western Region Mayors Forum	Cr Turner	Cr Turner
West Waters/City of Melton Community Benefit Program	Cr Abboushi Cr Mendes	Cr Abboushi Cr Majdlik Cr Mendes
The Willows Historical Park Advisory Committee (Committee formed November 2018)		Cr De Santis / Cr Sebire Cr Hardy Cr Ramsey Cr Turner
Youth Council	Cr Abboushi Cr De Santis Cr Turner	Cr Abboushi Cr De Santis / Cr Sebire Cr Turner

COUNCILLORS' CODE OF CONDUCT

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

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

In carrying out their role, Councillors will:

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

In addition, in performing this role, Councillors will:

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

The Code of Conduct is available on Council's website.

CONFLICT OF INTEREST

Councils are entrusted with a range of decision-making powers to govern in the best interests of local communities. These powers must only be exercised impartially, with integrity, and must not seek to deliberately confer an advantage or disadvantage on any person.

It must be clear that the private interests of Councillors are not affecting public duties and the position of Councillor is not being used for personal benefit.

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

DELEGATIONS OF AUTHORITY

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

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

In accordance with Section 98 of the Act, Council periodically revises and updates instruments of delegation to ensure appropriate authorisation. Council updated its key instruments of delegation on 1 April 2019.

GOVERNANCE CHARTER

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

- Clear information on decision-making processes
- Advice on the authorising environment of Council
- Guidelines for Councillors, executive and managers in relation to roles and responsibilities
- A reference point for disputes, and clarifies the relationship between the law and internal rules/policies/documents.

The Governance Charter is available from Council's website.

COUNCILLOR ALLOWANCES

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

In accordance with section 74(1) of the Act, Council reviewed and determined the level of the Councillor and Mayoral allowance within six months of the October 2016 election. Allowances were confirmed on 3 May 2017 after a notice of intention to review Councillor and Mayoral Allowances was advertised on 4 April 2017 and no submissions were received.

MAYOR AND COUNCILLORS' ALLOWANCES FOR 2018/2019

Councillor	Allowance
Steven Abboushi	\$33,480
Lara Carli	\$33,480
Melissa De Santis (resigned 9 May 2019)	\$30,667
Ken Hardy	\$33,480
Goran Kesic	\$33,480
Kathy Majdlik	\$33,480
Michelle Mendes	\$33,480
Sophie Ramsey	\$33,480
Yvonne Sebire (elected 12 June 2019)	\$2,067
Bob Turner (Mayor 2 November 2017 - current)	\$106,939

COUNCILLOR EXPENSES

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

To ensure that Council policy in relation to the appropriate provision of resources and support provided to Councillors meets contemporary standards of probity and community expectations, the Council adopted an updated Resource Support and Expenses of Councillors and Special Committee Members Policy at its 22 August 2016 Council meeting.

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

	Cr Steven Abboushi	Cr Lara Carli	Cr Melissa De Santis (resigned 9 May 2019)	Cr Ken Hardy	Cr Goran Kesic	Cr Kathy Majdlik	Cr Michelle Mendes	Cr Sophie Ramsey	Cr Yvonne Sebire (elected 12 June 2019)	Cr Bob Turner
Conferences, Seminars & Training	263	2,454	15,230	11,802	0	6,115	5,282	626	0	3,863
Travel Local	0	101	0	2,276	0	4,236	57	0	0	480
Communications	639	1,564	532	1,132	512	1,587	758	1,990	30	2,217
Functions External to Civic Centre	309	1,039	1,600	1,241	186	1,201	1,161	1,433	0	1,186
Child Care Expenses	0	0	0	0	0	17,607	0	0	0	0
Councillor Allowances	33,480	33,480	30,667	33,480	33,480	33,480	33,480	33,480	2,067	106,939
Total	34,691	38,638	48,029	49,931	34,178	64,226	40,738	37,529	2,097	114,685



OUR PEOPLE

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EXECUTIVE TEAM

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



Kelvin Tori
Chief Executive Officer

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

Kelvin Tori holds a Bachelor of Economics and Politics and has over 30 years' experience in local government.

Contract period
May 2016-May 2020.

Remuneration
\$392,733 includes a motor vehicle and employer's superannuation.

Entitlements

Reimbursement or payment of all membership fees and subscriptions as approved and reimbursement or payment of the reasonable costs of the Officer attending conferences, seminars, in-service training courses and study.



Peter Bean
General Manager
Corporate Services

Peter Bean holds a Bachelor of Business (Local Government), a Graduate Certificate in Local Government Management and a Masters of Business Administration. Peter has worked for metropolitan Melbourne, interface and north-eastern Victorian councils for over 30 years. His portfolio covers these areas: Engagement and Advocacy; Finance; Information Technology; People and Culture; Risk and Performance and oversees Council's joint-venture land development, Atherstone.



Maurie Heaney
General Manager
Community Services

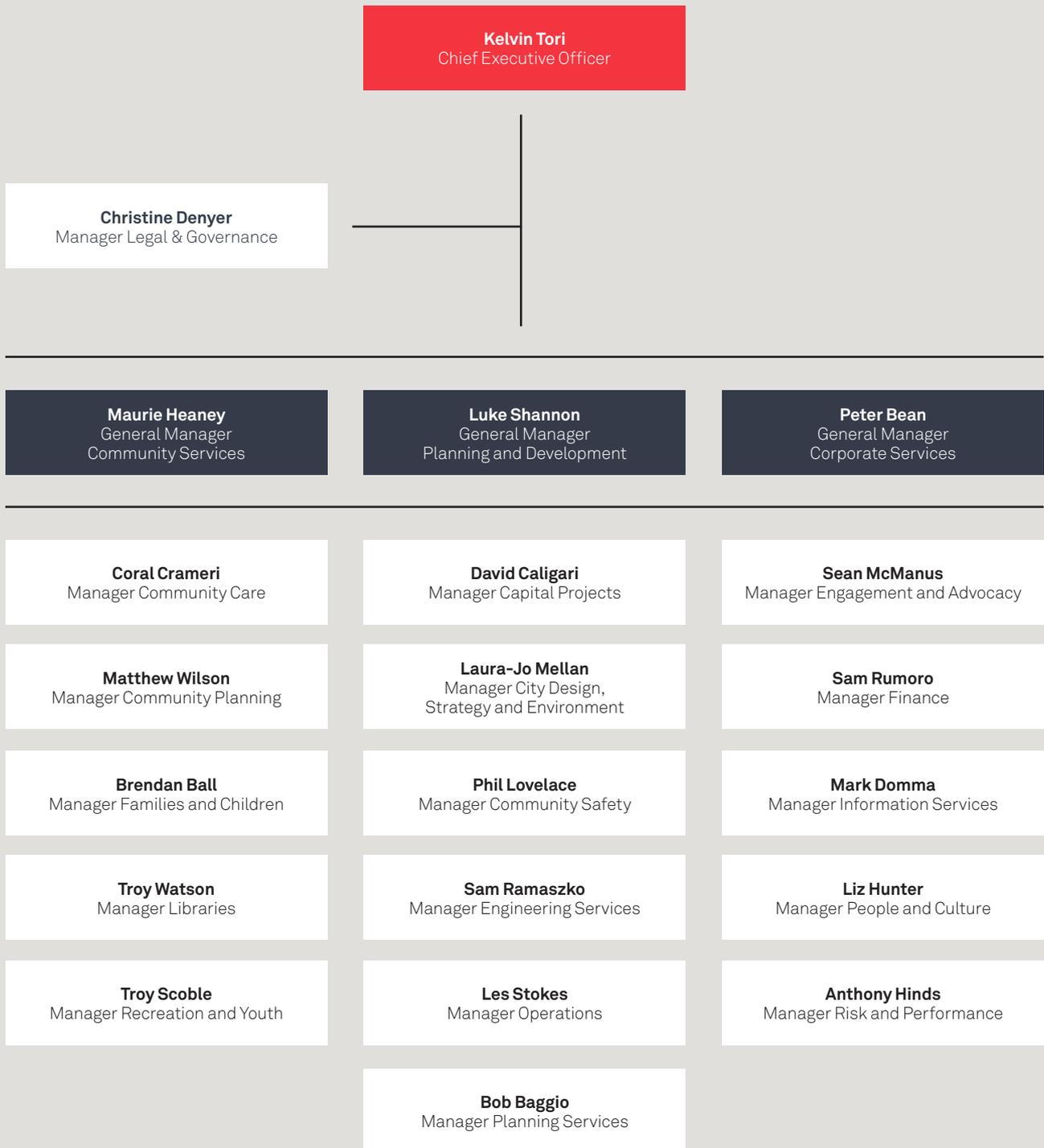
Maurie Heaney has over 25 years' experience in local government. Maurie manages infrastructure provision and community service delivery for Melton City Council. His portfolio covers these areas: Community Care; Families and Children; Community Planning; Recreation and Youth; and Libraries.



Luke Shannon
General Manager Planning
and Development

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

ORGANISATIONAL STRUCTURE



EMPLOYEE BREAKDOWN

FULL TIME

Office of the CEO	Community Services	Corporate Services	Planning and Development	Total
3 MALE	32 MALE	39 MALE	88 MALE	162 MALE
11 FEMALE	109 FEMALE	52 FEMALE	55 FEMALE	227 FEMALE

PART TIME

Office of the CEO	Community Services	Corporate Services	Planning and Development	Total
0 MALE	11 MALE	0 MALE	12 MALE	23 MALE
0 FEMALE	164 FEMALE	18 FEMALE	69 FEMALE	251 FEMALE

CASUAL

Office of the CEO	Community Services	Corporate Services	Planning and Development	Total
0 MALE	18 MALE	0 MALE	9 MALE	27 MALE
1 FEMALE	54 FEMALE	0 FEMALE	10 FEMALE	65 FEMALE

TOTAL

15	388	109	243	755
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EMPLOYMENT BY REMUNERATION CLASSIFICATION

Band 1 M 18 F 69	Band 3 M 15 F 79	Band 5 M 34 F 99	Band 7 M 40 F 31	Nurses M 0 F 46	Total M 212 F 543
Band 2 M 6 F 15	Band 4 M 21 F 116	Band 6 M 41 F 69	Band 8 M 21 F 14	Senior officers M 16 F 5	

OUR WORKFORCE

In 2018/2019, Council employed 755 people in full time, part time and casual capacities. This year around 250 volunteers also assisted Council to deliver programs, services and events for the City of Melton.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

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

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

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

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

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

ENTERPRISE BARGAINING AGREEMENT

The Melton City Council Enterprise Bargaining Agreement No 8 2016 has been in effect since 1 July 2016 and expired on 30 June 2019. Council commenced the process of negotiating a new Enterprise Agreement, which will be the Melton City Council Enterprise Agreement No 9 2019 once ratified.

PROFESSIONAL DEVELOPMENT

A range of professional development opportunities is offered to staff each year. Activities include workshops in areas such as business and communication skills, Microsoft Office and personal development. In 2018/2019, Council offered 89 workshops across 54 subject areas. In addition, a comprehensive induction program was administered along with a number of e-learning modules on compliance topics.

LEADERSHIP DEVELOPMENT PROGRAM

Council offers comprehensive training to all leaders and staff who aspire to lead people. In 2018/2019, Council offered 28 workshops across 17 subject areas. A number of Communities of Practice sessions were also provided for each subject, which helps employees align their personal and professional leadership goals. Council took part in the annual Emerging Leader Challenge to give emerging leaders the opportunity to act as an executive team for

the day. A training program for high-performing future leaders was held, and coordinator level staff participated in a development day.

REWARD AND RECOGNITION PROGRAM

The Reward and Recognition framework provides opportunities for staff to nominate a colleague for their contribution to Council. More than 100 staff received recognition in 2018/2019. The annual STAR awards recognised contributions from three outstanding staff members, one outstanding project and one outstanding team, and around 100 staff members for their length of service.

PREVENTION OF VIOLENCE AGAINST WOMEN/GENDER EQUITY STRATEGY

The *Equality and Respect 2030: A Strategy to prevent violence against women by promoting gender equity in the City of Melton* promotes gender equity in Melton. Council recognises gender inequality as the root cause of violence against women and is committed to working towards a gender equitable, safe and inclusive community and workplace. Council's Family Violence Policy and Procedure supports staff experiencing family violence.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Council is committed to continual improvement in all aspects of staff safety and welfare, which is reflected in the OHS Strategy, Safety Differently. Council empowers teams and individuals to take ownership and control over their safety. During the successful Sherlock Program 17 teams in Council reviewed work practices and detected areas for improvement. Of these, 98 per cent of actions were completed.

The annual Staff Culture Survey showed very positive attitudes to Council's approach to health and safety. Staff rated areas of employee engagement about safety 5.6-6 out of 7, which is consistent with previous surveys.

Council officers interact daily with members of the public, and at times experience aggression and threats. A project led by Information Technology and the OHS team enabled secure sharing of information across the organisation regarding potentially aggressive people living in the community. This enables staff safety while delivering services.

In 2018/2019, 18 lost time injuries were reported, well above Council's target of five. The OHS Committee receives quarterly reports and provides ongoing governance and advice on improving safety performance.

Staff OHS training:

- Manual Handling
- Ergonomics
- Occupational Violence
- Fire Warden
- First Aid and CPR
- Asbestos Awareness
- Height Awareness

WORKPLACE HEALTH AND WELLBEING

Health and wellbeing of staff drives a high performing organisation. Council provides employees with information and support that enables them to look after their own health and wellbeing in a proactive manner. Programs delivered in 2018/2019 included:

- Training sessions on self-care strategies to build resilience and mental health
- The Global Challenge physical activity program where 168 employees participated
- Health assessments
- Feb Fast, which raised \$881
- Premier's Active April.

The Workplace Health and Wellbeing Reference Group worked with Diabetes Victoria to roll-out the Victorian Government's Life Program to prevent Type 2 diabetes.

INJURY MANAGEMENT/ RETURN TO WORK

Council's WorkCover performance improved on the previous year. Highlights included:

- Claims frequency reduced from 78 per cent to 70 per cent of the scheme average
- Claim size reduced from 112 per cent to 103 per cent of the scheme average
- Overall claims reduced from 80 per cent to 78 per cent of the scheme average.

Return to Work planning and support for employees experiencing non-work related illnesses and injuries included the Employee Assistance Program (EAP), a free confidential counselling service delivered by an external company. A new EAP provider enabled greater access for staff via phone, Skype

and a larger number of sites for face-to-face visits.

ENTERPRISE RISK MANAGEMENT

A Fraud and Corruption Control Plan was implemented that continues to strengthen Council's risk controls regarding dishonest activity. It was developed using information from:

- The IBAC Local Government Integrity Framework Review in 2017
- Fraud and corruption risk assessments conducted by an external legal firm in 2017
- Internal audits conducted in 2017/2018.

The Risk Management Committee met quarterly and reviewed 10 strategic and corporate risks. It also received reports from officers regarding ongoing work to provide effective risk control regarding:

- Failure of a service provider
- Infrastructure renewal gap
- Public safety
- Occupational violence.

CELEBRATING MELTON'S VOLUNTEERS

Melton City Council thanks the 251 people who volunteered their time, skills and expertise to assist in Council programs, events and festivals in 2018/2019.

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

COUNCIL SERVICE UNIT	NUMBER OF VOLUNTEERS	VOLUNTEER ROLE
Ageing Well	7	Ambassadors delivered Council's Ageing Well exercise programs including Tai Chi for Arthritis, Seniors Walking Group and Nordic Walking Groups in Melton.
Events	110	Volunteers worked at Council events and festivals helping with car parking, marshalling, providing information to attendees and food service.
Food Services	3	Volunteers assisted with general duties in the kitchen and dining rooms for Council's meals on wheels service, centre-based meals program and Social Support Groups. They also hosted the Chat and Chew program.
Men's Shed	23	Volunteers provided 746 hours of support to Men's Shed classes, projects and groups each month across Melton and Taylors Hill men's sheds.
Neighbourhood House Program	25	Neighbourhood House volunteers planned and supported local events, and the operation of weekly community centre programs and activities.
Social Support	15	Volunteers assisted Social Support staff to deliver programs and activities.
Libraries	20	Library volunteers assisted with home service deliveries, family history research, the digitalisation project, chess club and English conversation classes.
Volunteer Transport	13	Volunteers provided door-to-door transport for people in need to get to medical or other appointments.
Youth	35	Volunteers took part in eight youth-led event programs that engaged young people.



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OUR PERFORMANCE

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REPORT OF OPERATIONS

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2018/2019 is the primary means of informing the Melton Council community about Council’s operations and performance during the financial year.

PLANNING AND ACCOUNTABILITY FRAMEWORK

The Victorian Local Government Act requires councils to prepare:

- A Council Plan within the six months after each general election or by 30 June, whichever is later
- A strategic resource plan for a period of at least four years and include this in the Council Plan
- A budget for each financial year
- An annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and

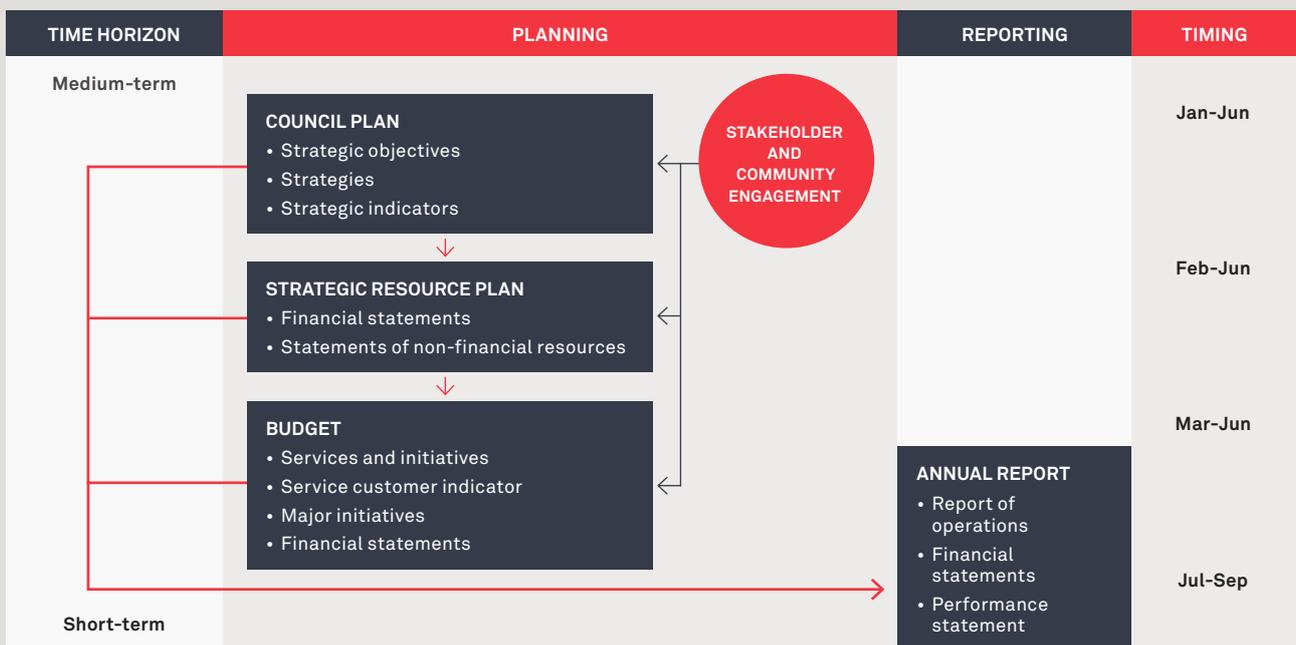
accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

DESCRIPTION OF OPERATIONS

Melton City Council is responsible for more than 100 services. These include family and children’s services, traffic regulation, open space, youth facilities, waste management and community planning. Other matters concerning business development, planning for appropriate development and ensuring accountability for Council’s budget are also part of day-to-day operations at Melton City Council.

Council’s broad range of community services and infrastructure support the wellbeing and prosperity of its community. Council’s vision, strategic objectives and strategies to further improve services and facilities are described in the Council and Wellbeing Plan, and the Budget, and reported in this annual report.

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



The Council and Wellbeing Plan guides all activities over the four-year term of the elected Council.

The key elements of the Council and Wellbeing Plan are:

Themes

Used to focus a council’s strategic planning into common subject matter and are usually a few key words followed by a short statement of explanation.

Strategic outcome

Describes the desired future condition upon the achievement of the stated objectives.

Objectives

The strategic purpose statements that set the direction to manage underlying issues or take advantage of presenting opportunities.

Strategies

Set of approaches directed at achieving the objectives in the Council and Wellbeing Plan.

Strategic indicators

How Council’s performance is measured against the Council and Wellbeing Plan’s strategic objectives.

The Melton City Council and Wellbeing Plan 2017-2021 themes and strategic outcomes are:

01

Theme 1

A proud, inclusive and safe community

Strategic Outcome

A City of people leading happy and healthy lives

02

Theme 2

A thriving and resilient natural environment

Strategic Outcome

A City that preserves and enhances its natural environment for future generations

03

Theme 3

A well planned and built City

Strategic Outcome

A City with a clear vision to manage growth in a sustainable and accessible way

04

Theme 4

A strong local economy and lifelong learning City

Strategic Outcome

A City rich in local employment and education opportunities

05

Theme 5

A high performing organisation demonstrating leadership and advocacy

Strategic Outcome

An organisation operating with innovation, transparency, accountability and sustainability

PERFORMANCE

Council's performance for 2018/2019 is reported against each Council and Wellbeing Plan theme, desired strategic outcome and objective to demonstrate how Council is performing in achieving the 2017-2021 Council and Wellbeing Plan.

How performance is measured:

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

COUNCIL ANNUAL ACTION PLAN

The Council and Wellbeing Plan activities, including services, programs and projects, are recorded in service unit business plans. All activities align to the Council and Wellbeing Plan objectives and strategies. The Council Action Plan is an annual plan that documents key activities and initiatives. Progress reports are prepared each quarter and published on Council's website.

The *2018-2019 Council Annual Action Plan End of Year Performance Report* was presented to Council at the 16 September 2019 ordinary meeting. The report provides commentary on achievements, progress and explanations for delays and postponements. Of the 151 actions documented in the plan, 128 actions were completed, 11 actions were on track, nine actions were not on track, and three actions were postponed as at 30 June 2019.

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

DETAILED PERFORMANCE ANALYSIS

The following outlines Council's performance by theme against the strategic indicators in the 2017-2021 Council and Wellbeing Plan, progress reports against initiatives in the 2018/2019 budget, significant achievements for the year, and information in relation to services funded in the 2018/2019 budget. It also provides results for the prescribed service performance indicators and measures as set out in the Local Government Performance Reporting Framework and a look at what the future holds.

Health and wellbeing is embedded throughout the Council and Wellbeing Plan 2017-2021, cutting through each theme, outcome, objective, strategy and indicator. The areas with a stronger link to health and wellbeing, are displayed with a  icon.

THEME 1

A proud, inclusive and safe community

Strategic outcome – A city of people leading happy and healthy lives.



OBJECTIVE 1.1

A community where all people feel welcome, valued and proud

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
The proportion of the population who agree they feel proud of, connected to and enjoy their neighbourhoods	7.03	7.34	The result for 2018/2019 is not significantly different to the previous year. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			
The proportion of the population who believe the City of Melton is a welcoming and supportive community for everyone	7.57	7.91	The result for 2018/2019 is not significantly different to the previous year. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			

OBJECTIVE 1.2

A safe and equitable community

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community perception of safety during the day	7.43	7.9	2017 – 7.61 2016 – 8.33
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			
Community perception of safety at night	5.64	6.18	2017 – 5.33 2016 – 6.36
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			
Community perception of the prevalence of family violence	28.6% agree	23.4% agree	<i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			

OBJECTIVE 1.3

Equitable, inclusive and accessible community and health infrastructure services

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction with the level of access to local health services	7.53	7.32	The result for 2018/2019 is not significantly different to the previous year. 2017 – 7.42 2016 – 7.22
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			
Community satisfaction with support services	7.32	7.76	<i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			

OBJECTIVE 1.4

A resilient community promoting social cohesion

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction with designated cultural activities	7.22	7.65	All cultural events were well attended with Harmony Day attracting a record number of participants. 2017 – 7.41 2016 – 7.70
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			
Community satisfaction with Council's provision of Arts events and exhibitions	7.09	7.7	<i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
<small>Source: Metropolis Community Satisfaction Survey 2019</small>			

OBJECTIVE 1.5

Environments that enable and encourage positive public health and wellbeing outcomes

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Active sport and recreation groups in the City 	90	87	<p>A review of active sport and recreation groups found three clubs were on multiple agreements, resulting in reduced numbers in reporting. Melton has a total of 75 Annual and Seasonal License Agreements across 12 leased premises.</p> <p><i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i></p>
Community satisfaction with recreational facilities and leisure centres 	7.54	7.52	<p>The result for 2019 is not significantly different 2018/2019.</p> <p>2017 – 7.86</p> <p>2016 – 7.99</p>

Source: Metropolis Community Satisfaction Survey 2019

OBJECTIVE 1.6

Reconciliation to support healthy communities

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Indigenous specific services in the City 	11	9	<p>Kirrup delivered four programs directly. VAHS, Campbell Page and VACCA also provided services. VACCA established an office in Melton to deliver child protection, cultural support and women's support services. A further two Aboriginal community organisations operate in Melton delivering cultural support programs.</p> <p><i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i></p>

The following statement reviews the progress of Council in relation to initiatives identified in the 2018/2019 budget for the year.

MAJOR INITIATIVES	PROGRESS	COMMENTS
1 Toilet facility at Tenterfield Park Burnside Heights (\$200,000)	Ongoing	Project is in the Delivery and Control Stage and will be completed in early 2019/20.
INITIATIVES	PROGRESS	COMMENTS
2 Support the development and maintenance of the Melton Botanic Garden (\$35,000)	Completed	Funding has been provided to the Friends of Melton Botanic Garden.
3 Employ a Place Manager for the Woodlea Estate (\$20,000)	Completed	The contribution from Council has been provided to the Baptist Union of Victoria.
4 Upgrade plumbing, water tank and pump at Brookside Preschool (\$10,000)	Completed	
5 Install storage facilities at the Bridge Road Sporting Complex (\$5,000)	Completed	Storage facilities have been installed.
6 Provide outdoor shade cover over the barbecue area at Diggers Rest Bowling Club (\$8,000)	Ongoing	Design in progress.
7 Install storage facilities at Caroline Springs Hockey Club (\$10,000)	Completed	Storage facilities have been installed.
8 Replacement of fence at the Melton Equestrian Park (\$60,850)	Completed	Work has been completed.
9 Roof on range at the Melton Pistol Club (\$175,000)	Ongoing	Project is in the Delivery and Control Stage and will be completed in early 2019/20.
10 Undertake report and provide options for the re-commissioning of the fountain at the Caroline Springs lake (\$60,000)	Completed	Work on the fountain has been completed and it is now operational.
11 Improve amenities by upgrading toilet facilities at the Melton Bowling Club (\$60,000)	Ongoing	Project is in the Delivery and Control Stage and will be completed in early 2019/20.
12 Relocation of the Caroline Springs RSL War Memorial (\$40,000)	Completed	Project is complete.
13 Installation of a playground at Morton Homestead (\$40,000)	Ongoing	Project is in the Design Stage and will be completed in early 2019/20.
14 Installation/relocation of football goals at Boronia Reserve (\$10,000)	Completed	Goals have been installed.
15 Install fixed spectator shelters and seating around the football oval and netball areas at Rockbank Football Sporting Club (\$23,432)	Ongoing	Works underway to install netball shelters.
16 Youth Forum (\$15,000)	Completed	Melton Youth Forum was delivered in June 2019.
17 Two City of Melton signs delivered in Caroline Springs and Diggers Rest (\$20,000)	Ongoing	Design is complete. The two sites have been determined with installation expected to take place in the first quarter of 2019/2020.
18 Health Promotion Expo (\$35,000)	Completed	Minds Matter: Youth Mental Health Forum was held on 9 May 2019.
19 Resilient Melbourne funding (\$35,000)	Completed	The contribution from Council has been provided to Resilient Melbourne Office.
20 Lake Caroline public toilet (\$200,000)	Ongoing	Project is in the Delivery and Control Stage and will be completed in early 2019/2020.
21 Construction of shelters and scorers box at MacPherson Park at North West Titans Baseball Club (\$25,000)	Ongoing	Project is the Delivery and Control Stage and will be completed in 2019/2020.
22 Eynesbury Station Primary School design cost (\$250,000)	Ongoing	The design of the Eynesbury Early Learning Centre is complete. Project Manager, The Victorian School Building Authority, issued the construction tender during the year.
23 Increase in the pensioner rebate (\$35,000)	Completed	Rebate has been increased.

SIGNIFICANT ACHIEVEMENTS FOR THE YEAR

- Completion of the Pride of Melton project.
- Delivered a publication to celebrate the history of the City of Melton.
- Conferred citizenship to 1,302 residents of the City of Melton.
- Completion of the Kurunjang Community Hub.
- Completion of the Hannah Watts Park redevelopment.
- Completion of work to light up Lake Caroline.
- Completion of the Burnside Children's and Community Centre.

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Families and Children's Services	Provision of services for children 0-12 years and their families. Programs include Maternal and Child Health, child care services, kindergarten enrolment, playgroup and children's programs, family parenting programs, family support services, preschool field officer program, Best Start program and housing support (to vulnerable individuals and families). The service also facilitates Council's Early Years Partnership committee delivering Melton's Municipal Early Years Plan.	\$2,900
		\$3,866
		\$966
Community Care	Provision of a range services and programs for older people, people with a disability and their carers including delivered and centre-based meals, personal care, domestic assistance, community transport, property maintenance, community and centre-based respite, and Men's Shed.	\$1,937
		\$2,592
		\$655
Recreation and Youth	Provision of leisure and aquatic centres, sports infrastructure, reserves, youth support services and youth programs through Melton and Taylors Hill Youth Centres. The service also provides advice to Council on open space planning, sport development, leisure needs and access to recreation activities.	\$3,131
		\$3,572
		\$441
Community Planning	Plans, promotes and supports a more inclusive, engaged, sustainable, healthier, learned and safer community. This is delivered through strategic planning, policy development, and program delivery services in the functions of Council planning, social research, social planning, community infrastructure planning, health and wellbeing, community safety, road safety and active travel, the prevention of violence against women, community capacity development, reconciliation, culturally and linguistically diverse engagement, community engagement, policy management, community funding, neighbourhood houses, community facilities management, and community learning planning and programs.	\$3,020
		\$3,109
		\$89

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

Service / indicator / measure	Result 2017	Result 2018	Result 2019	Material variations
Aquatic Facilities				
Service standard Health inspections of aquatic facilities <small>[Number of authorised officer inspections of Council aquatic facilities/number of Council aquatic facilities]</small>	4	1	2	Two water quality inspections were carried out following complaints.
Health and safety Reportable safety incidents at aquatic facilities <small>[Number of WorkSafe reportable aquatic facility safety incidents]</small>	0	0	1	One incident was reported and investigated during the year.
Service cost Cost of indoor aquatic facilities <small>[Direct cost of indoor aquatic facilities less income received/number of visits to indoor aquatic facilities]</small>	\$2.02	\$2.63	\$4.43	The increase in unit costs for 2018/2019 can be attributed to a shutdown period for major works during the first quarter of the year, resulting in a \$90K variation cost for the contractor. Attendance figures were also impacted by the shutdown. In addition, a generator was hired for a period of time over the year, and significant increases in utility costs and additional maintenance costs were incurred.
Utilisation Utilisation of aquatic facilities <small>[Number of visits to aquatic facilities/municipal population]</small>	1.8	1.69	1.57	Attendance figures were affected by the shutdown period for major works in the first quarter of the year.
Maternal and Child Health				
Satisfaction Participation in first MCH home visit <small>[Number of first MCH home visits/number of birth notifications received] x 100</small>	104.91%	105.07%	106.58%	The Maternal and Child Health service continues to perform well in the provision of home visits.
Service standard Infant enrolments in the MCH service <small>[Number of infants enrolled in the MCH service (from birth notifications received)/number of birth notifications received] x 100</small>	100.00%	100.00%	101.82%	Birth notices and enrolments continue to increase. As the municipality continues to grow, more families are transferring from other municipalities.
Service cost Cost of MCH service <small>[Cost of the MCH service/hours worked by MCH nurses]</small>	\$92.93	\$89.95	\$86.42	An increase in the number of hours worked and internal process improvements contributed to a small reduction in costs.
Participation Participation in the MCH service <small>[Number of children who attend the MCH service at least once (in the year)/number of children enrolled in the MCH service] x 100</small>	72.05%	68.95%	66.92%	The number of children attending the service continues to increase. Recruiting qualified staff to keep up with the growth within the municipality is a challenge.
Participation Participation in the MCH service by Aboriginal children <small>[Number of Aboriginal children who attend the MCH service at least once (in the year)/number of Aboriginal children enrolled in the MCH service] x 100</small>	58.81%	57.31%	57.28%	A significant increase in children attending the service compared to previous years. Council continues to build relationships with Koolin Balit and increase in the outreach staff.

THEME 2

A thriving and resilient natural environment

Strategic outcome – A City that preserves and enhances its natural environment for future generations.



OBJECTIVE 2.1

A community where all people feel welcome, valued and proud

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Kerbside collection waste diverted from landfill*	49.3%	40.26%	<p>Council provides a range of education services and has invested in community engagement activities. In 2018/2019 the City of Melton diverted around 44 per cent of all waste from landfill. While this is a slight decrease from the previous year, the total tonnes have reduced across the municipality. There has been a reduction in dumped rubbish, landfill waste from residents (collected at the kerb), waste received at the transfer station and green waste volumes. Council made changes to the hard waste service to improve recovery and comply with the impending e-waste ban. Despite the global recycling crisis, residents continued to recycle similar volumes to last year. This can be attributed to Council's investment in community education and engagement programs.</p> <p>2017 – 43.80% 2016 – 43.39%</p>
Percentage of Council buildings (floor space) audited for water efficiency	41.15%	41.15%	<i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>

OBJECTIVE 2.2

A 'low carbon city' well-adapted to changing climate conditions

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Percentage of Council buildings (floor space) audited for energy efficiency	10.88%	10.88%	<i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
Trees planted in the City	4,000	1,100	The budget was reduced this year to facilitate other organisational priorities and will be reviewed on completion of the Melton Council Street Tree Strategy.

OBJECTIVE 2.3

A City with healthy waterways, biodiversity and ecosystems

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Percentage of Council managed conservation reserves with Reserve Management and Monitoring Plans	1%	1%	<p>Council has plans for its two largest and most significant conservation reserves, Melton Gilgai Woodland and Mount Cottrell.</p> <p><i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i></p>

OBJECTIVE 2.4

A City growing and developing sustainably

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Photovoltaic cells (solar panels) commissioned on the roofs of Council buildings	0.0 kilowatts	99 kilowatts	The Caroline Springs Leisure Centre Expansion was completed in May 2019 and included 99KW of photovoltaic cells on the roof structure. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>

OBJECTIVE 2.5

An environmentally aware community that appreciates the City's unique environmental assets

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Participants (including volunteers) that attend environment and sustainability events coordinated or supported by Council	1,346	2,319	Attendance at the Sustainability Lane (Djerriwarrh Festival) increased markedly this year. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
Community sustainability events coordinated or supported by Council	22	24	Events in 2018/2019 included Nature Stewards training sessions and graduation ceremony, and World Environment Day grants celebration. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>

* Denotes performance indicator is required under the Local Government Performance Reporting Framework

SIGNIFICANT ACHIEVEMENTS FOR THE YEAR

- Finalisation of the Environmentally Sustainable Design Guidelines.
- Finalisation of the Rockbank Town Centre Urban Design Framework.

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
City Design, Strategy and Environment	Provision of strategic planning and administration of the Melton Planning Scheme, environmental planning and management, environmental education programs, urban design and landscape architecture for assessment of planning permits, design and delivery of council assets and facilities.	\$3,186 \$3,100 -\$86
Operations	Provision of waste management and cleaning services that include kerbside waste, recycling and organics collection, street and footpath sweeping services, litter collection, graffiti removal and the operation of the Melton Recycling Facility. Maintenance of our parks, open spaces, trees, property, drainage and roads.	\$38,332 \$37,951 -\$381

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

Service / indicator / measure	Result 2017	Result 2018	Result 2019	Material variations
Waste				
Satisfaction Kerbside bin collection requests <small>[Number of kerbside garbage and recycling bin collection requests/number of kerbside bin collection households] x 1000</small>	130.84	67.65**	171.2	**An incorrect figure was provided for 2017/18. The correct number of requests was 8,460, giving an amended result of 172.90. A slight increase in the total number of requests was recorded when compared to the 2018 amended end-of-year results. Contributing factors include population growth, a high number of stolen bins and requests for bin repairs or replacements.
Service standard Kerbside collection bins missed <small>[Number of kerbside garbage and recycling collection bins missed/number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000</small>	5.14	3.26	4.65	A significant increase in missed services was reported this year. This was largely due to landfills closing or being inaccessible, which caused delays in collection times. Continual growth in the municipality requires amended service routes and additional truck servicing/maintenance.
Service cost Cost of kerbside garbage bin collection service <small>[Direct cost of the kerbside garbage bin collection service/number of kerbside garbage collection bins]</small>	\$105.34	\$104.12	\$99.95	The number of kerbside garbage collection bins increased due to population growth and a reconciliation of Council's database. Annual kerbside costs increased in line with CPI, however an increase in the number of stolen bins, bin repairs and replacements impacted the overall cost to deliver the service.
Service cost Cost of kerbside recyclables collection service <small>[Direct cost of the kerbside recyclables bin collection service/number of kerbside recyclables collection bins]</small>	\$21.99	\$24.50	\$24.97	Demand on Council's recycling service and number of bins has increased with population growth. The annual cost also rose, resulting in a slightly higher increase due to more recycling bins being collected. Council pays a per lift rate, which means more recycling and collections results in an increase in costs.
Waste diversion Kerbside collection waste diverted from landfill <small>[Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins] x 100</small>	53.03%	49.30%	40.26%	Council provides a range of education services and has invested in community engagement activities. In 2018/2019 the City of Melton diverted around 44 per cent of all waste from landfill. While this is a slight decrease from the previous year, total tonnes have reduced in the amount of dumped rubbish, landfill waste from residents collected at the kerb, waste received at the transfer station and green waste volumes. Council made changes to the hard waste service to improve recovery and comply with the impending e-waste ban. Despite the global recycling crisis, residents continued to recycle similar volumes to last year. This can be attributed to Council's investment in community education and engagement programs.

THEME 3

A well planned and built City

Strategic outcome – A City with a clear vision to manage growth in a sustainable and accessible way.



OBJECTIVE 3.1

A community where all people feel welcome, valued and proud

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community perception of Council's performance on planning for a growing population <i>Source: Metropolis Community Satisfaction Survey 2019</i>	6.4	6.35	The result for 2018/2019 is not significantly different to the previous year. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>

OBJECTIVE 3.2

Community facilities, infrastructure and services that are equitably planned for, provided and maintained

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction with Council facilities <i>Source: Metropolis Community Satisfaction Survey 2019</i>	7.32	7.35	The result for 2018/2019 is not significantly different to the previous year. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
Percentage completion of the Annual Capital Works Program	76.0%	90%	The 2018/2019 capital budget was \$92M. The actual expenditure for 2018/2019 was \$74M or 80 per cent. 2017 – 62% 2016 – 71%

OBJECTIVE 3.3

Public spaces that are vibrant and engaging places for all

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction with the maintenance of parks and gardens <i>Source: Metropolis Community Satisfaction Survey 2019</i>	7.44	7.38	The result for 2018/2019 is not significantly different to the previous year. 2017 – 7.42 2016 – 7.74

OBJECTIVE 3.4

A flexible, safe and health-promoting transport network that enables people to move around

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction with the public transport network within the City <i>Source: Metropolis Community Satisfaction Survey 2019</i>	6.57	6.81	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.61 2016 – 6.23
Community satisfaction with parking and traffic management in the City <i>Source: Metropolis Community Satisfaction Survey 2019</i>	6.80	6.82	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.47 2016 – 6.76

OBJECTIVE 3.5

A City that encourages and enables people to work, shop and spend time locally

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Residents that agree the City of Melton is vibrant, accessible and engaging <i>Source: Metropolis Community Satisfaction Survey 2019</i>	6.95	7.07	The result for 2018/2019 is not significantly different to the previous year. <i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>

The following statement reviews the progress of Council in relation to initiatives identified in the 2018/2019 budget for the year.

MAJOR INITIATIVES	PROGRESS	COMMENTS
24 Upgrade Tarletons Road to a rural standard sealed road (\$550,000)	Ongoing	Project is in the Delivery and Control Stage and will be completed in early 2019/2020.
INITIATIVES	PROGRESS	COMMENTS
25 Design of a pedestrian crossing on Taylors Road (\$50,000)	Ongoing	Design is progressing (50% complete).

SIGNIFICANT ACHIEVEMENTS FOR THE YEAR

- Construction of a fitness circuit around Lake Caroline to encourage physical activity.
- Caroline Springs Town Centre Sport Precinct Stadium extension and Regional Tennis Facility project.
- Completion of the Westwood Drive roadway and bridge providing an alternative north-south link between the Western Highway and Taylors Road.
- Construction of 96,670 metres of new footpaths in the municipality.
- Completion of the Bill Cahill, Arnolds Creek and Allenby Road Reserve playspaces.

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Engineering Services	Provision of design for capital works, traffic management planning, built assets management, civil and landscape infrastructure planning, and geographic information systems.	\$2,333
		\$4,274
		\$1,941
Planning	Provision of assessment of planning and subdivision proposals under the relevant planning and subdivision legislation, and ensuring compliance with the planning controls. Services provided include the assessment of planning and subdivision applications, pre-application consultation, planning advice, post-permit approvals, issue of Statements of Compliance, and collection, monitoring and reporting of development contributions.	\$798
		\$1,809
		\$1,011
Capital Projects	Provision of planning, design and construction of a complex suite of new civil and community infrastructure within an operational framework delivering a works program via project management processes and controls. Responsible for achieving timely programming and roll-out of Council's capital projects.	\$2,325
		\$1,868
		-\$457

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

Service / indicator / measure	Result 2017	Result 2018	Result 2019	Material variations
Roads				
Satisfaction of use Sealed local road requests <small>[Number of sealed local road requests/kilometres of sealed local roads] x 100</small>	26.48**	26.37**	37.87	**Extraction of the 2018/2019 data revealed that not all requests relating to sealed local roads had been identified in previous years. The amended results for those years are 39.86 (2017/2018), 40.57 (2016/2017) and 33.41 (2015/2016) requests per 100 k/ms.
Condition Sealed local roads maintained to condition standards <small>[Number of kilometres of sealed local roads below the renewal intervention level set by Council/kilometres of sealed local roads] x 100</small>	92.69%	93.81%	96.52%	A combination of Council conducting a condition audit this year and the number of new roads in the municipality contributed to the 2018/2019 result.
Service cost Cost of sealed local road reconstruction <small>[Direct cost of sealed local road reconstruction/square metres of sealed local roads reconstructed]</small>	\$76.02	\$78.47	\$0.00	Projects deferred to late 2019 due to reprioritisation of the Road Rehabilitation Program in 2018/2019.
Service cost Cost of sealed local road resealing <small>[Direct cost of sealed local road resealing/square metres of sealed local roads resealed]</small>	\$9.71	\$10.04	\$0.00	Projects deferred to late 2019 due to reprioritisation of the Road Rehabilitation Program in 2018/2019.
Satisfaction Satisfaction with sealed local roads <small>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</small>	62	63	71	Melton no longer participates in the Local Government Survey. This indicator now forms part of the Metropolis survey conducted for Melton Council. The result is now based on a larger sample size.
Statutory Planning				
Timeliness Time taken to decide planning applications <small>[The median number of days between receipt of a planning application and a decision on the application]</small>	63 days	64 days	83 days	Increase in median days can be attributed to an increase in application numbers, complexity of applications and resourcing challenges in the Major Developments Unit.
Service standard Planning applications decided within required time frames <small>[Number of planning application decisions made within 60 days/number of planning application decisions made] x 100</small>	74.12%	75.82%	67.45%	The variation is due to an increase in application numbers and the increasing complexity of non-VicSmart planning applications.

Service / indicator / measure	Result 2017	Result 2018	Result 2019	Material variations
<p>Service cost</p> <p>Cost of statutory planning service</p> <p>[Direct cost of the statutory planning service/number of planning applications received]</p>	\$2,393.29	\$2,010.65	\$2,627.45	The variance can be attributed to the appointment of additional staff including a permanent Coordinator for the Major Developments Unit. In addition, more money was spent on professional advisory services and legal representation resulting from the significant increase in the number of planning applications determined by VCAT.
<p>Decision-making</p> <p>Council planning decisions upheld at VCAT</p> <p>[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/number of VCAT decisions in relation to planning applications] x 100</p>	28.57%	25.00%	36.36%	There was a significant increase in the number of applications determined by VCAT compared with previous years.

THEME 4

A strong local economy and lifelong learning city

Strategic outcome – A City rich in local employment and education opportunities.



OBJECTIVE 4.1

A diverse economy that fosters business growth, encourages new investment and leads and responds to change

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Annual new planning permits issued for industrial and commercial properties	137	110	A total of 110 permits were issued for industrial and commercial developments for the year representing approximately 22.1 per cent of all permits issued.
Capital investment value of new planning permits for industrial and commercial properties	\$199,793,677	\$269,107,085	Investment comprised a mix of small-scale commercial and industrial developments, changes of land use, larger-scale warehouse and distribution uses and neighbourhood activity centre developments consisting of supermarkets, shops and retail premises.

OBJECTIVE 4.2

More local employment options with an increasing number of residents employed

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
The City's unemployment rate relative to the state of Victoria's annual unemployment rate 	9.2% (Melton CC) 5.9% (Vic)	6.7% (Melton CC) 4.7% (Vic)	The unemployment rate for the City of Melton declined significantly to the lowest level in more than four years and a 2.1 per cent decrease since June 2018. Over the same time the overall state unemployment rate decreased by around 0.5 per cent.
Job vacancies within the municipality publically advertised locally	496	2,296	A total of 2,296 jobs were advertised from businesses in the municipality. This is a significant increase over historical job advertisements. The strongest industries for job advertisements were trades and services and education and childcare, which is a reflection of ongoing population growth. The increase in advertised jobs correlates with the significant reduction in the unemployment rate and suggests more locals are successful in finding employment.

OBJECTIVE 4.3

A visitor economy that adds value to local businesses

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
People engaged at visitor information points within the City	3,555	8,246	The Visitor Information Centre closed in November 2018. Engagement focused on promoting the Melton City Much More App at events and targeted locations like train stations.
Visitor engagements through digital channels	1,977	7,325	The ongoing increase in digital engagement including the website's Discover the City of Melton pages can be attributed to the growing impact of Melton City Much More App, which has over 6,500 downloads and averages more than 1,000 active users each month.

OBJECTIVE 4.4

A City with a variety of local education facilities and programs

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community perception of Council advocacy for improved education facilities <i>Source: Metropolis Community Satisfaction Survey 2019</i>	6.83	6.77	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.00 2016 – 7.09
The rate of school leavers entering higher education, vocational education or employment  <i>Source: On Track Survey – Local Government Area Website</i>	92.7%	Not available	The provision of data for this indicator has been delayed and will not be available until later in the year.

OBJECTIVE 4.5

Lifelong learning opportunities are available and promoted

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
People participating in neighbourhood house programs 	3,759	3,053	<i>Data is only available for the two years as this was a new indicator in the 2017-2021 Council and Wellbeing Plan.</i>
Community satisfaction with local library services  <i>Source: Metropolis Community Satisfaction Survey 2019</i>	8.40	8.45	The result for 2018/2019 is not significantly different to the previous year. 2017 – 8.83 2016 – 8.68

SIGNIFICANT ACHIEVEMENTS FOR THE YEAR

- Delivery of a Lifelong Learning Festival in October 2018, attracting over 1,450 attendees over the three days.
- The 2018 Djerriwarrh Festival attracted a record attendance of over 30,000 throughout the day and a 96 per cent community satisfaction rating.

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Libraries	Provision of public library services including collections, programs, activities and access to technology from two library locations, online and via outreach services to promote reading, learning and literacy. Provision of arts and cultural activities.	\$3,025 \$2,823 -\$202

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

Service / <i>indicator</i> / measure	Result 2017	Result 2018	Result 2019	Material variations
Libraries				
Utilisation Library collection usage <small>[Number of library collection item loans/number of library collection items]</small>	4.17	5.25	5.92	This year's result is attributed to library improvements, which included the removal of outdated material that meant a reduced collection size.
Resource standard Standard of library collection <small>[Number of library collection items purchased in the last 5 years/number of library collection items] x 100</small>	57.59%	74.77%	83.61%	The result is due to improving the age of the library collection by removing outdated material, which has resulted in a reduced collection size.
Service cost Cost of library service <small>[Direct cost of the library service/number of visits]</small>	\$6.47	\$6.90	\$7.03	There has been a small increase in the unit costs for the library. This can be attributed to energy costs increasing by approximately 30 per cent over the previous year.
Participation Active library members <small>[Number of active library members/municipal population] x 100</small>	10.26%	9.43%	9.09%	The number of active members has increased, however the overall percentage has declined due to the rapid increase in overall population growth.

THEME 5

A high performing organisation demonstrating leadership and advocacy

Strategic outcome – An organisation operating with innovation, transparency, accountability and sustainability.



OBJECTIVE 5.1

Deliberative engagement and effective communication with the community that informs planning and decision-making

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction with consultation and engagement*	6.74	6.79	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.22 2016 – 7.02
<i>Source: Metropolis Community Satisfaction Survey 2019</i>			

OBJECTIVE 5.2

A flexible, innovative and creative organisation that responds to rapidly changing community and operating environments

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community perception that Council is efficient and run well	7.12	6.87	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.51 2016 – 6.92
<i>Source: Metropolis Community Satisfaction Survey 2019</i>			
Workforce turnover	12.42%	13.10%	The result for 2018/2019 is not significantly different to the previous year. 2017 – 10.66% 2016 – 9.00%

OBJECTIVE 5.3

Effective civic leadership, advocacy, partnerships and good governance

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community satisfaction rating for Council making decisions in the best interest of the community*	7.07	6.82	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.04 2016 – 6.89
<i>Source: Metropolis Community Satisfaction Survey 2019</i>			
Councillor attendance at Council meetings*	97.6%	88.0%	Councillor attendance at ordinary and special meetings in 2018/2019 was down on the previous year. One Councillor resigned on 9 May 2019, leaving 8 Councillors available to attend the Ordinary Meeting held 27 May 2019. A countback to elect a replacement was held on 12 June 2019. 2017 – 98.6% 2016 – 85.71%

OBJECTIVE 5.4

An organisation that demonstrates excellence in local government leadership and customer and community service

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	COMMENTS
Community perception of Council's overall performance <i>Source: Metropolis Community Satisfaction Survey 2019</i>	7.12	6.87	The result for 2018/2019 is not significantly different to the previous year. 2017 – 6.51 2016 – 6.92
Working capital ratio	6.26:1	6.67:1	Working Capital ratio improved slightly with higher cash reserves from Atherstone development proceeds. 2017 – 5.85:1 2016 – 3.05:1

* Denotes performance indicator is required under the Local Government Performance

SIGNIFICANT ACHIEVEMENTS FOR THE YEAR

- A number of advocacy activities addressing key infrastructure, education, transport and health issues in the lead up to both the State and Federal elections, with a particular emphasis on the Build Melton Hospital and the Upgrade the Western Highway campaigns.

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Compliance	Administers general local law enforcement, planning enforcement, building services, environmental health (Food Safety and Immunisation programs), animal management, parking enforcement and school crossings.	\$2,091 \$2,891 -\$800
Engagement & Advocacy	Provides inbound call handling and counter services, communication campaigns and media management, hosting of events, artistic and cultural activities, facilitation of economic development and tourism outcomes, and advocacy promoting Council priorities.	\$5,081 \$5,915 \$834
Finance	Provides financial services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges, and property valuation.	-\$12,381 -\$10,606 \$1,775
Information Services	Provides leadership, support and improvement capability in the area of information and technology so that the organisation can deliver effective services.	\$10,172 \$6,744 -\$3,428
People and Culture	Provides human resources, learning and development, payroll and industrial relations services.	\$1,663 \$1,768 \$105
Executive and Councillors	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support that cannot be attributed to direct service provision areas.	\$2,549 \$2,537 -\$12

Service	Description	Net Cost Actual Budget Variance \$000
Legal & Governance	Provides a range of internal services to Council including governance, legal, procurement, insurance, contractual and internal audit services. Also administrative support to the Mayor and Councillors.	\$2,608 \$2,196 \$412
Risk & Performance	Provides risk management services through occupational health and safety programs, workers' compensation services, health and wellbeing initiatives, fraud and corruption control, municipal fire prevention, business continuity management, and community emergency management (planning, preparedness and recovery). Provides performance management through corporate planning and performance reporting functions.	\$1,295 \$1,302 \$7

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

Service / indicator / measure	Result 2017	Result 2018	Result 2019	Material variations
Animal Management				
Timeliness Time taken to action animal management requests <small>[Number of days between receipt and first response action for all animal management requests/number of animals management requests] x 100</small>	2.47 days	2.38 days	1.92 days	Better processes have resulted in improved response times to animal complaints.
Service standard Animals reclaimed <small>[Number of animals reclaimed/number of animals collected] x 100</small>	39.29%	44.74%	41.70%	The number of animals collected is similar to the previous year, however the number of animals reclaimed reduced significantly. This is the result of a large number of feral cats being collected and impounded, which are not reclaimed.
Service cost Cost of animal management service <small>[Direct cost of the animal management service/number of registered animals]</small>	\$46.44	\$53.69	\$52.34	Overall animal registrations have increased due to matching microchip numbers from Central Animal Register against registrations.
Health and safety Animal management prosecutions <small>[Number of successful animal management prosecutions]</small>	8	14	20	The introduction of new guidelines in 2017/2018, combined with improved reporting processes, contributed to an increased number of prosecutions in 2018/2020.
Food Safety				
Timeliness Time taken to action food complaints <small>[Number of days between receipt and first response action for all food complaints/number of food complaints]</small>	2.73 days	2.46 days	1.25 days	Improvements made to internal processes resulted in faster response times for complaints.

Service / indicator / measure	Result 2017	Result 2018	Result 2019	Material variations
<p>Service standard</p> <p>Food safety assessments</p> <p>[Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i>/number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x 100</p>	94.82%	83.99%	93.14%	Improved internal processes and unit realignment contributed to an increased number of inspections completed.
<p>Service cost</p> <p>Cost of food safety service</p> <p>[Direct cost of the food safety service/number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]</p>	\$572.25	\$567.97	\$506.90	An increase in the number of overall premises and process improvements resulted in lower costs per premises.
<p>Health and safety</p> <p>Critical and major non-compliance outcome notifications</p> <p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100</p>	100.0%	0	0	No notifications received this year.
Governance				
<p>Transparency</p> <p>Council decisions made at meetings closed to the public</p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100</p>	9.20%	8.89%	9.39%	Council committed to greater transparency by keeping the number of resolutions presented at closed meetings to a minimum.
<p>Consultation and engagement</p> <p>Satisfaction with community consultation and engagement</p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p> <p>Source: <i>Metropolis Community Satisfaction Survey 2019</i></p>	55	59	68	Council is no longer using the Local Government Community Satisfaction survey. The result for this indicator is now taken from the Metropolis Survey, which is conducted across a wider base of respondents.
<p>Attendance</p> <p>Councillor attendance at Council meetings</p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting/(number of ordinary and special Council meetings) x (number of Councillors elected at the last Council general election)] x 100</p>	98.60%	97.62%	87.30%	Councillor attendance at meetings was down in 2018/2019 due to higher levels of illness and travel.
<p>Service cost</p> <p>Cost of governance</p> <p>[Direct cost of the governance service/number of Councillors elected at the last Council general election]</p>	\$56,195.22	\$56,696.76	\$59,810.62	A significant increase in attendance at conferences, seminars and training courses was recorded in 2018/2019.
<p>Satisfaction</p> <p>Satisfaction with Council decisions</p> <p>Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community</p>	55	60	68	Council is no longer using the Local Government Community Satisfaction survey. The result for this indicator is now taken from the Metropolis Survey, which is conducted across a wider base of respondents.



Belong.

GOVERNANCE AND MANAGEMENT INFORMATION

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GOVERNANCE

MANAGEMENT STATEMENT

Council has implemented a number of statutory and *better practice* initiatives to strengthen its management framework. Having strong governance and management frameworks lead to better decision-making by Council. The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its Report of Operations. Council's Governance and Management Checklist is set out on the following pages. The following items have been highlighted as important components of the management framework.

AUDIT COMMITTEE

The Audit Committee is an independent advisory committee of Council established under Section 139 of the Act.

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

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

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

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

MEMBERS OF THE AUDIT COMMITTEE

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

The Audit Committee met six times during the year, and reviewed the previous year's (2017/2018) Statement of Accounts, which included the provision of comments on the external auditors' management letter.

MEMBERS OF THE AUDIT COMMITTEE AND MEETINGS ATTENDED DURING 2017/2018

Robert Tommasini Chairperson Independent external.....	6
Alan Hall Independent external (to December 2018).....	3
Farshan Mansoor Independent external.....	4
Celeste Gregory Independent external (from February 2019).....	3
Cr Hardy Councillor.....	6
Cr Turner Councillor.....	5

Seven internal audits were completed during 2018/2019.

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

INTERNAL AUDIT

Auditors Oakton Services provided the internal audit function for 2018/2019 under contract.

During 2018/2019, Council's internal auditors undertook the following audits:

- Strategic Internal Audit Plan 2019/2020-2021/2022
- Review of Leisure Centre Management
- Review of IT & Social Media
- Review of Volunteers Management
- Review of Financial Controls
- Review of Follow Up of Previous Internal Audit Recommendations
- Review of Animal Management.

EXTERNAL AUDIT

The Victorian Auditor-General externally audits Council each year. The Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors attended the August 2018 and April 2019 Audit Committee meetings to present the independent audit report and annual audit plan. The external audit management letter and responses are also provided to the Audit Committee.

GOVERNANCE AND MANAGEMENT CHECKLIST

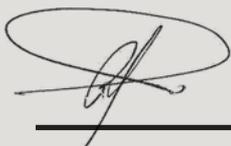
The following are the results in the prescribed form of Council's assessment against the prescribed Governance and Management Checklist.

Governance and Management Items	Assessment	
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Date of operation of policy: 24 June 2019	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 24 June 2019	✓
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act. Date of adoption: 24 June 2019	✓
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act. Date of adoption: 24 June 2019	✓
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Road Asset Management Plan Buildings Asset Management Plan, Open Spaces Asset Management Plan, Drainage Asset Management Plan Date of operation of all current plans: 3 February 2015	✓
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 24 June 2019 The Rating Strategy is reviewed annually as part of Budget process	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 8 March 2018	✓
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 6 February 2017	✓
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Act. Date of preparation: 12 September 2017	✓

Governance and Management Items	Assessment	
10 Procurement policy (policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Act. Date of approval: 16 December 2014	✓
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of current plan: 1 November 2017	✓
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Information Technology Disaster Recovery Plan. Date of preparation: 2 November 2018	✓
13 Risk management framework (framework outlining Council's approach to managing risks to Council's operations)	Date of operation of current framework: 8 March 2018	✓
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act. Date of establishment: 2 February 1998 Revised Audit Committee Terms of Reference were adopted by Council 24 July 2017	✓
15 Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	New auditors are appointed every three years. Date of engagement of current provider: 10 July 2015. At its Ordinary Meeting held 26 March 2018, Council resolved to extend this contract to June 2020	✓
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Council has incorporated the Local Government Performance Reporting Framework Performance Indicators Service indicators into the Council Budget, which was adopted by Council 26 June 2017.	✓
17 Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates for Council Annual Action Plan Progress Reporting to Council: 17 September 2018, 12 November 2018, 1 April 2019, 27 May 2019 Reporting on the Council Plan Strategic Indicators occurs twice a year via the Annual Report, adopted by Council, 15 October 2018 and the Midyear Performance Report to Executive, 28 February 2019.	✓

Governance and Management Items	Assessment	
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act. Date statements were adopted by Council: 17 September 2018, 12 November 2018, 1 April 2019 and 27 May 2019	✓
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented twice per annum on 29 August 2018 and 27 February 2019	✓
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reporting on the indicators occurs twice a year via the Annual Report, adopted by Council 15 October 2018 and the Midterm Performance Report to Executive, 28 February 2019	✓
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act. Report submitted to the Minister 27 September 2018. Adopted by Council: 15 October 2018.	✓
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act. Date reviewed: 20 February 2017	✓
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act. Date of review: 1 April 2019	✓
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 9(1) of the Act. Date local law made: 23 July 2013	✓

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



Kelvin Tori
Chief Executive Officer
Dated: 24 September 2019



Cr Bob Turner
Mayor
Dated: 24 September 2019

STATUTORY INFORMATION

The following information is provided in accordance with legislative and other requirements applying to Council.

Documents available for public inspection

The following is a list of documents that are available for inspection at Melton City Council offices in accordance with Regulation 12 of the *Local Government (General) Regulations 2015*.

Copies of the documents can be obtained for the purposes of Section 222 of the Act.

Some of these documents may also be available on the website, melton.vic.gov.au

- Overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or officers in the previous 12 months
- Agendas and minutes for ordinary and special meetings held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public
- Minutes of meetings of special committees held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public
- A register of delegations
- Details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- A register of authorised officers
- A list of donations and grants made by Council during the financial year.

Best Value

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

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

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

Council undertook the following Best Value activities during 2018/2019:

- Five service units undertook a service review or were restructured during the year
- Delivered six My City My Say community engagement events across the municipality
- Designed and constructed a fitness circuit around Lake Caroline to encourage physical activity
- In conjunction with Outdoors Victoria, developed and conducted the inaugural Nature Stewards educational program
- Completed a conservation management plan for the Council-owned land at Mount Cottrell volcano

- Completed the Caroline Springs sub-regional tennis centre
- Completed the Westwood Drive road and bridge construction to provide an alternative north-south link between the Western Highway and Taylors Road
- A total of 12 forms and registers were moved from paper-based, non-integrated formats to online solutions.

Carer's recognition

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act.

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

Council has promoted the principles of the *Carers Recognition Act 2012* to people in care relationships who receive Council services, and to the wider community by:

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

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

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

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

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

Contracts

During the year, Council did not enter into any contracts valued at \$150,000 or \$200,000 or more for works or more of a kind specified in section 186(5)(a) of the Act. Under Section 186(5)(c) of the Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more nor for goods/services valued at \$150,000 or more.

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

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

The following actions from the strategy *Melton: A City for all People 2017-2021*, which encompasses the Disability Action Plan, were implemented in 2018/2019:

- Council built and launched the funded Changing Places change facility that features an adult change table and hoist for Melton Waves Leisure Centre, valued at \$100,000
- Council's Carer Support Program was delivered, enhancing carers' physical and emotional wellbeing
- The annual CARE Melton Expo was held
- The expertise of the Melton Disability Advisory Committee was utilised to support community planning and decision-making
- Council supported the Business Excellence Awards as a platform to educate local businesses about the benefits of engaging people of all abilities
- Council supported the community to transition to the National Disability Insurance Scheme (NDIS) during the regional roll-out
- Council distributed information packs that support promotion of relevant community events and celebrations during assessment by Melton City Council Regional Assessment Service (RAS)
- Council facilitated six service provider network meetings attracting up to 45 service providers.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals and evaluate its implementation in the annual report.

In accordance with the *Domestic Animals Act 1994*, Council adopted the Domestic Animal Management Plan 2017-2021 on 18 December 2017.

Key achievements in 2018/2019 included:

- Officer training including animal handling, attending animal seminars and OH&S training – dealing with aggressive customers and conflict resolution
- Council's website is updated daily and includes information on animals impounded and available for adoption
- A review of Council's arrangements for re-homing animals has resulted in a total of 39 Section 84Y agreements under the *Domestic Animals Act 1994* now being in place
- 38 menacing, restricted and dangerous dog inspections were completed on premises – all 11 domestic animal businesses operating in the City of Melton were inspected and audited as per the *Domestic Animals Act 1994*
- 20,331 animal registrations, an increase from 17,894 in 2017/18
- 12 declared dangerous dogs
- Council was successful with 20 prosecutions.

Food Act Ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report.

Council received no Ministerial Directions during the financial year.

Freedom of Information

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

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

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

Further information can be found on Council's website.

In 2018/2019, Melton City Council received 25 requests for information under the *Freedom of Information Act 1982*. The results of the applications are as follows:

Result of access	Number of requests
Access granted in full	12
Access granted in part	2
Access denied in full	1
Not processed within statutory timeframe – deemed refusal	1
Other:	
No documents	4
Request withdrawn	1
Request not yet finalised as at 30 June 2019	1
Request outside the Act	1
Request transferred to another agency	2
Total number of requests	25

Protected Disclosures Procedures

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

During 2018/2019, no disclosures notified to Council officers appointed to receive disclosures or to the Independent Broad-based Anti-corruption Commission (IBAC) were in fact protected disclosures.

Road Management Act Ministerial direction

In accordance with section 22 of the *Road Management Act 2004*, a council must publish a copy or summary of any Ministerial Direction in its annual report.

No Ministerial Directions were received by Council during the financial year.

VICTORIAN LOCAL GOVERNMENT INDICATORS

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

The following table presents the results of the VLGI for the 2018/2019 year.

INDICATORS	CALCULATION	2018/2019	2017/2018
1 Average rates and charges per assessment	Total rates and charges receivable at the beginning of the year / number of assessments in the adopted budget	\$2,353	\$2,286
2 Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at the beginning of the year / number of residential assessments in the adopted budget	\$1,828	\$1,782
3 Average liabilities per assessment	Total liabilities / number of assessments in the adopted budget	\$1,091	\$1,068
4 Operating result per assessment	Net surplus / number of assessments in the adopted budget	\$3,810	\$3,126
5 Average operating expenditure per assessment	Operating expenditure / number of assessments in the adopted budget	\$2,934	\$2,910
6 Community satisfaction rating for overall performance generally of Council	Result from the annual Melton Council Community Satisfaction Survey*	69	61
7 Average capital expenditure per assessment	Capital expenditure / number of assessments in the adopted budget	\$1,278	\$736
8 Renewal gap	Capital renewal / average annual asset consumption	28%	39%
9 Renewal and maintenance gap	Capital renewal and maintenance / average annual asset consumption planned maintenance	33%	47%
10 Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the annual Melton Council Community Satisfaction Survey*	68	58
11 Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the annual Melton Council Community Satisfaction Survey*	68	60

* The 2017/2018 results were from the Local Government Community Satisfaction Survey which is an independent survey of a sample 400 residents to gauge their views about Council's performance over the last 12 months. It was conducted by Local Government Victoria on behalf of councils across Victoria and participation is optional. Results are benchmarked against a state-wide average and other large rural shires. In 2018/2019 Council no longer participated in this survey. The results for 2018/2019 are from the Metropolis survey conducted on behalf of Council with a sample size of 800 residents.

DEVELOPMENT CONTRIBUTIONS PLAN REPORT

INFRASTRUCTURE AND DEVELOPMENT CONTRIBUTIONS

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's annual report.

Table 1: Total DCP Levies Received 2018/2019

DCP name and year approved	Levies received in 2018/2019 financial year (\$)*
Diggers Rest (2012)	\$1,172,339.11
Melton North (2010)	\$728,176.14
Rockbank North (2012)	\$10,800.00
Taylors Hill West (2010)	\$122,612.19
Toolern (2011)	\$18,447,827.50
Paynes Road	\$5,205,270.00
Toolern Park (2014)	-
Total	\$25,687,024.94

* Levies include DIL and CIL

Table 2: DCP Land, Works, Services or Facilities accepted as Works in Kind 2018-2019

DCP name and year approved	Project ID	Project description	Item purpose	Project value (\$)
Melton North (2010)	AR01	Land for active open space (5.82ha) to accommodate 1 senior AFL oval or cricket pitch, tennis courts, pavilion and associated facilities	Active Open Space - Land acquisition was required as part of works associated with PA2012/3734 for a residential subdivision at Pennyroyal estate.	\$2,819,415.81
Melton North (2010)	TR02	Off-road trail (2.5m wide x 796m length) along Arnolds Creek (east branch) within and to the south of the precinct	The construction of the off-road trail was required as part of works associated with PA2010/2823 for a residential subdivision at Willandra estate.	\$183,692.62
Melton North (2010)	RD06	Construction (rural standard, asphalt surface) of Minns Road between the western end of the precinct and Coburns Road (793m)	The construction of the road was required as part of works associated with PA2010/2823 for a residential subdivision at Willandra estate.	\$1,510,610.23
Taylors Hill West (2010)	DI_RO_02	Beattys Road Upgrade - construction (115m)	The construction of the road was required as part of works associated with PA2010/2849 for a residential subdivision at Aspire estate.	\$165,370.00
Rockbank North (2012)	C01	Land for Community Centre 1. Land acquisition of 0.8ha for Community Centre.	Land acquisition for the purpose of a community facility was required as part of works associated with PA2015/5010 for a residential subdivision at Pennyroyal estate.	\$1,275,000.00
Rockbank North (2012)	RD01	East-west arterial between Leakes Road and the Outer Metropolitan Ring Road. Land acquisition for ultimate and construction of the first carriageway.	Taylors Road - Land acquisition and construction of the road was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$687,766.75

DCP name and year approved	Project ID	Project description	Item purpose	Project value (\$)
Rockbank North (2012)	RD03	Intersection. Land acquisition for ultimate and construction of an interim signalised T-intersection at the intersection of the north-south arterial (Leakes Road) and the east-west arterial (Taylors Road).	Taylors Road - Land acquisition and construction of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$9,583,836.69
Rockbank North (2012)	RD04	Intersection. Land acquisition for ultimate and construction of an interim signalised intersection at the intersection of the north-south arterial and the east-west arterial (Taylors Road).	Taylors Road - Land acquisition and construction of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$6,266,900.89
Rockbank North (2012)	RD05	Intersection. Land acquisition for ultimate and construction of an interim signalised intersection at the intersection of the north-south arterial and the east-west arterial (Taylors Road).	Taylors Road - Land acquisition and construction of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$9,590,181.38
Rockbank North (2012)	RD07	Intersection. Land and construction of an interim signalised intersection of Beattys Road and north-south arterial.	Taylors Road - Land acquisition and construction of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$274,926.69
Toolern (2011)	RD03	Exford Waters East-west arterial: Exford Road section. Re-construct existing 2-lane road to provide 2-lane carriageway of divided secondary arterial road (38m road reserve, length 900m) *Interim layout*. Purchase land to increase reserve width from 20 to 38m for 900m (Ultimate)*.	Exford Road - Land acquisition for the purpose of road construction as part of works associated with PA2014/4583/3 for a residential subdivision at Exford Waters estate.	\$165,000.00
Toolern (2011)	RD03	Seventh Bend East-west arterial: Exford Road section. Re-construct existing 2-lane road to provide 2-lane carriageway of divided secondary arterial road (38m road reserve, length 900m) *Interim layout*. Purchase land to increase reserve width from 20 to 38m for 900m (ultimate)*.	Exford Road - Land acquisition for the purpose of road construction as part of works associated with PA2011/3427 for a residential subdivision at Seventh Bend estate.	\$446,586.62
Toolern (2011)	RD04	Exford Road: east west arterial to Greigs Road. Re-construct existing pavement to provide 2-lane carriageway of undivided secondary arterial road (31m reserve , length 2,310m) *Interim layout*. Purchase land to increase reserve width 20m to 31m for 2,310m (ultimate)*.	Exford Road - Land acquisition for the purpose of road construction as part of works associated with PA2011/3427 for a residential subdivision at Seventh Bend estate.	\$237,991.75
Toolern (2011)	RD05	East West Arterial: Exford Road to Toolern Creek. Construct new 2-lane carriageway of divided secondary arterial road (38m road reserve, length 400m) *Interim layout*. Purchase land to increase reserve from 0m to 38m for 400m (ultimate)*.	Exford Road - Land acquisition for the purpose of road construction as part of works associated with PA2011/3427 for a residential subdivision at Seventh Bend estate.	\$293,968.72
Toolern (2011)	OS02	Purchase of 4.00ha of land for active open space required for AR03 and AR04.	Active Open Space - Land acquisition was required as part of works associated with PA2011/3427 for a residential subdivision at Seventh Bend estate.	\$4,200,000.00
TOTAL				\$37,701,248.14

GLOSSARY OF TERMS RELATED TO THE NON-FINANCIAL SECTIONS

Act	means the <i>Local Government Act 1989</i>
Annual report	means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Appropriateness	means indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal or outcome
Budget	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the council plan
Council plan	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four years
Financial performance indicators	means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency
Financial statements	means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report
Financial year	means the period of 12 months ending on 30 June each year
Governance and management checklist	means a prescribed checklist of policies, plans and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting and decision-making
Indicator	means what will be measured to assess performance
Initiatives	means actions that are one-off in nature and/or lead to improvements in service
Major initiative	means significant initiatives that will directly contribute to the achievement of the council plan during the current year and have a major focus in the budget
Measure	means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator
Minister	means the Minister for Local Government

Performance statement	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report
Planning and accountability framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
Regulations	means the <i>Local Government (Planning and Reporting) Regulations 2014</i>
Relevance	means indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved
Report of operations	means a report containing a description of the operations of the council during the financial year and included in the annual report
Services	means assistance, support, advice and other actions undertaken by a council for the benefit of the local community
Service outcome indicators	means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved
Service performance indicators	means a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes
Strategic objectives	means the outcomes a council is seeking to achieve over the next four years and included in the council plan
Strategic resource plan	means a plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the council plan. It is also referred to as a long-term financial plan
Strategies	means high level actions directed at achieving the strategic objectives in the council plan
Sustainable capacity indicators	means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management



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PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

DESCRIPTION OF MUNICIPALITY

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

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

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

OTHER INFORMATION

1. Basis of preparation

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

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

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

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

The forecast figures included in the performance statement are mainly those adopted by Council in its strategic resource plan on 25 June 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long-term. Detailed information on the actual financial results is contained in the General Purpose Financial Statement. The strategic resource plan can be obtained by contacting Council.

SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

RESULTS

<i>Indicator/measure</i>	2016	2017	2018	2019	Material variations
Population					
Expenses per head of municipal population	\$940.98	\$996.14	\$1,005.32	\$1,009.26	No material variation.
[Total expenses/municipal population]					
Infrastructure per head of municipal population	\$9,741.57	\$13,247.46	\$10,136.42	\$11,268.03	Due mainly to variations in municipal population and timing of capital works program.
[Value of infrastructure/municipal population]					
Population density per length of road	130.93	130.89	138.71	141.62	No material variation.
[Municipal population/kilometres of local roads]					
Own-source revenue					
Own-source revenue per head of municipal population	\$810.41	\$928.95	\$993.37	\$833.34	Due to lower land sales revenue this year and increased population.
[Own-source revenue/municipal population]					
Recurrent grants					
Recurrent grants per head of municipal population	\$143.85	\$225.15	\$189.32	\$188.07	No material variation.
[Recurrent grants/municipal population]					
Disadvantage					
Relative socio-economic disadvantage	7	7	5	5	The movement in Melton's result can be attributed to a smaller proportion of high income households, higher unemployment rate, lower percentage of low-skilled occupations and people without qualifications and a smaller percentage of persons employed as professionals and managers.

SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

RESULTS					
Service/indicator/measure	2016	2017	2018	2019	Material variations
Aquatic facilities					
Utilisation					
Utilisation of aquatic facilities	1.93	1.8	1.69	1.57	Attendance figures have been affected by the shut down period for major works in the first quarter of the year.
[Number of visits to aquatic facilities/municipal population]					
Animal management					
Health and safety					
Animal management prosecutions	2	8	14	20	The introduction of new guidelines in the previous year combined with improved reporting processes has contributed to the increased number of prosecutions this year.
[Number of successful animal management prosecutions]					
Food safety					
Health and safety					
Critical and major non-compliance notifications	100.00%	100.00%	0.00%	0.00%	No notifications received this year.
[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/number of critical non-compliance notifications and major non-compliance notifications about food premises] x100					
Governance					
Satisfaction					
Satisfaction with council decisions	56	55	60	68	Melton is no longer participating in the Local Government Survey, with this indicator now forming part of the Metropolis survey conducted for Melton Council. The result is now based on a larger sample size.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					

SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

RESULTS

Service/indicator/measure	2016	2017	2018	2019	Material variations
Home and community care					
Participation					
Participation in HACC service	10.52%	N/A	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
[Number of people that received a HACC service/municipal target population for HACC services] x100					
Participation in HACC service by CALD people	6.95%	N/A	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
[Number of CALD people who receive a HACC service/municipal target population in relation to CALD people for HACC services] x100					
Libraries					
Participation					
Active library members	11.26%	10.26%	9.43%	9.09%	The number of active members has increased however the overall percentage has declined due to the rapid increase to overall population growth.
[Number of active library members/municipal population] x100					
Maternal and child health					
Participation					
Participation in the MCH service	73.05%	72.05%	68.95%	66.92%	The number of children attending the service continues to increase. The challenge is recruiting qualified staff to keep up with the growth within the municipality.
[Number of children who attend the MCH service at least once (in the year)/number of children enrolled in the MCH service] x100					
Participation					
Participation in the MCH service by Aboriginal children	61.62%	58.81%	57.31%	57.28%	A significant increase in children attending the service compared to previous years. This is an area that we hope to continually improve on next year with ongoing relationships with Koolin Balit and an increase in the outreach staff.
[Number of Aboriginal children who attend the MCH service at least once (in the year)/number of Aboriginal children enrolled in the MCH service] x100					

SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

RESULTS					
Service/indicator/measure	2016	2017	2018	2019	Material variations
Roads					
Satisfaction					
Satisfaction with sealed local roads	64	62	63	71	Melton is no longer participating in the Local Government Survey, with this indicator now forming part of the Metropolis survey conducted for Melton Council. The result is now based on a larger sample size.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning					
Decision-making					
Council planning decisions upheld at VCAT	50.00%	28.57%	25.00%	40.00%	There has been a significant increase in the number of applications over the past 12 months that are being determined by VCAT compared with previous years. Therefore, there have been a greater number of decisions made by VCAT in relation to Council applications.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application/number of VCAT decisions in relation to planning applications] x100					
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from landfill	43.39%	53.03%	49.30%	40.26%	Council provides a range of education services and has invested in community engagement activities. Statistics for the last 12 months show that the City of Melton is diverting approximately 44% of all waste from landfill. While this is a slight decrease from the previous year it is important to note that total tonnes have reduced across the board. There has been a reduction in dumped rubbish, landfill waste from residents (collected at the kerb), waste received at the transfer station and green waste volumes as a result of a very dry season. Council has also made changes to the hard waste service to improve recovery and comply with the impending e-waste ban. It is positive to note that despite the global recycling crisis residents have continued to recycle similar volumes to last year. This can be attributed to Council's investment in community education and engagement programs.
[Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins] x100					

FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

FORECASTS

Dimension/indicator/measure	2017	2018	2019	2020	2021	2022	2023	Material variations
Efficiency								
Revenue level								
Average residential rate per residential property assessment	\$1,704.23	\$1,690.12	\$1,746.06	\$1,975.62	\$2,052.65	\$2,267.48	\$2,333.39	No material variation.
[Residential rate revenue/number of residential property assessments]								
Expenditure level								
Expenses per property assessment	\$2,733.24	\$2,764.22	\$2,805.53	\$3,195.68	\$3,096.76	\$3,054.40	\$2,868.91	No material variation.
[Total expenses/number of property assessments]								
Workforce turnover								
Resignations and terminations compared to average staff	10.08%	15.99%	13.40%	13.22%	13.46%	13.89%	14.27%	Variation is due to the stabilisation of the workforce after transitioning of casual positions into permanent positions in 2017/18.
[Number of permanent staff resignations and terminations/average number of permanent staff for the financial year] x100								
Liquidity								
Working capital								
Current assets compared to current liabilities	584.96%	633.96%	570.97%	667.08%	719.66%	883.51%	1270.25%	Variation in 2018/2019 is due to increase in Accrued Expenses. Trend in working capital is expected to be favourable due to growth in income.
[Current assets/current liabilities] x100								
Unrestricted cash								
Unrestricted cash compared to current liabilities	91.56%	125.47%	49.76%	118.47%	131.82%	162.11%	278.43%	Variation is due to classification of term deposits over 3 months as financial assets in 2018/2019. It is anticipated that increases in operating income will continue in future years generating additional cash surpluses.
[Unrestricted cash/current liabilities] x100								
Obligations								
Asset renewal								
Asset renewal compared to depreciation	42.35%	39.22%	28.41%	31.56%	30.52%	21.63%	28.70%	Variation is due to an increase in depreciation costs which is growing due to the large number of new assets coming on stream.
[Asset renewal expenses/asset depreciation] x100								

FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

FORECASTS

Dimension/indicator/measure	2017	2018	2019	2020	2021	2022	2023	Material variations
Loans and borrowings								
Loans and borrowings compared to rates	22.32%	17.68%	14.05%	10.58%	7.79%	5.17%	3.16%	Positive cashflow and operating performance has enabled Council to reduce borrowings. The trend is expected to continue over the medium-term.
[Interest bearing loans and borrowings/rate revenue] x100								
Loans and borrowings								
Loans and borrowings repayments compared to rates	8.27%	4.07%	3.23%	2.94%	2.05%	1.76%	1.54%	Positive cashflow and operating performance has enabled Council to reduce borrowings. Growth in rates revenue has increased significantly. The trend is expected to continue over the long-term.
[Interest and principal repayments on interest bearing loans and borrowings/rate revenue] x100								
Indebtedness								
Non-current liabilities compared to own source revenue	18.53%	14.16%	14.46%	13.56%	13.91%	10.62%	15.55%	Council has reduced its borrowings and is forecast to do so over the short-term.
[Non-current liabilities/own source revenue] x100								
Operating position								
Adjusted underlying result								
Adjusted underlying surplus (or deficit)	13.69%	15.44%	1.19%	1.25%	7.81%	15.24%	18.99%	A lower underlying surplus in 2018/2019 is due to a one-off write-off of road assets.
[Adjusted underlying surplus (deficit)/adjusted underlying revenue] x100								
Stability								
Rates concentration								
Rates compared to adjusted underlying revenue	60.68%	57.22%	67.35%	66.78%	66.72%	68.62%	71.70%	Variance is due to lower land sales and write-off of road assets in the 2018/2019 year.
[Rate revenue/adjusted underlying revenue] x100								
Rates effort								
Rates compared to property values	0.43%	0.42%	0.34%	0.38%	0.39%	0.42%	0.43%	Variance is due to a substantial amount of new properties being incorporated in the rate base during the year. Rate income for those new properties will be earned for only part of the year.
[Rate revenue/capital improved value of rateable properties in the municipality] x100								

CERTIFICATION OF PERFORMANCE STATEMENT

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



Salvatore Rumoro CPA
Principal Accounting Officer
Dated: 16 September 2019

In our opinion, the accompanying performance statement of the Melton City Council for the year ended 30 June 2019 presents fairly the results of the council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Cr. Bob Turner
Mayor
Dated: 16 September 2019



Cr. Lara Carli
Deputy Mayor
Dated: 16 September 2019



Kelvin Tori
Chief Executive Officer
Dated: 16 September 2019



Independent Auditor's Report

To the Councillors of Melton City Council

Opinion I have audited the financial report of Melton City Council (the council) which comprises the:

- balance sheet as at 30 June 2019
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the financial report The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit report

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

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

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

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

MELBOURNE
19 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for Melton City Council.
- (ii) All figures presented in these financial statements are presented in Australian currency.
- (ii) These financial statements were authorised for issue by the Council on 16/09/19. Council has the power to amend and reissue these financial statements.

CERTIFICATION OF FINANCIAL STATEMENTS

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



Salvatore Rumoro CPA
Principal Accounting Officer
Dated: 16 September 2019
232 High St, Melton

In our opinion the accompanying financial statements present fairly the financial transactions of Melton City Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

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



Cr. Bob Turner
Mayor
Dated: 16 September 2019
232 High St, Melton



Cr. Lara Carli
Deputy Mayor
Dated: 16 September 2019
232 High St, Melton



Kelvin Tori
Chief Executive Officer
Dated: 16 September 2019
232 High St, Melton



Independent Auditor's Report

To the Councillors of Melton City Council

Opinion	<p>I have audited the accompanying performance statement of Melton City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

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Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
19 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

UNDERSTANDING COUNCIL'S FINANCIAL REPORT

INTRODUCTION

Each year, individual local governments across Victoria are required to present a set of audited financial statements to their council and community.

WHAT YOU WILL FIND IN THE REPORT

The financial report sets out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

The format of the financial report is standard across all Victorian councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by Local Government Victoria.

ABOUT THE CERTIFICATION OF THE FINANCIAL STATEMENTS

The financial statements must be certified by senior staff and Councillors as "presenting fairly" the Council's financial results for the year as well as Council's financial position, and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

ABOUT THE PRIMARY FINANCIAL STATEMENTS

The financial statements incorporate five "primary" financial statements:

1. Comprehensive Income Statement

Summarises Council's financial performance for the financial year, listing all income and expenses.

Includes Other Comprehensive Income which primarily records changes in the fair values of Council's Property, Infrastructure, Plant and Equipment.

2. Balance Sheet

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities and "Net Wealth".

3. Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "Net Wealth".

4. Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Statement of Capital Works

This statement details all amounts expended by Council on capital works.

ABOUT THE NOTES TO THE FINANCIAL REPORT

The Notes to the financial statements provide greater detail and additional information on the five primary financial statements.

ABOUT THE AUDITOR'S REPORTS

Council's financial statements are required to be audited by external accountants (that generally specialise in local government).

The Auditor provides an audit report which gives an opinion on whether the financial statements present fairly the Council's financial performance and position.

WHO USES THE FINANCIAL REPORT?

The financial report is a publicly available document and is used by (but not limited to) Councillors, residents and ratepayers, employees, suppliers, contractors, customers, Local Government Victoria, State and Federal governments, and financiers including banks and other financial institutions.

The financial statements must be presented at a Council meeting no later than one month after submitting the annual report to the Minister.



FINANCIAL STATEMENTS

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

\$ '000	Notes	2019	2018
Income			
Rates & Charges	3.1	113,503	106,155
Statutory Fees & Fines	3.2	7,892	6,345
User Fees	3.3	12,166	10,738
Grants - Operating	3.4	31,028	28,548
Grants - Capital	3.4	10,655	14,219
Contributions - Monetary	3.5	17,376	15,010
Contributions - Non-monetary	3.5	186,159	112,634
Net Gain/(Loss) on Disposal of IPP&E	3.6	(2,405)	23,471
Fair Value Adjustments for Investment Property	6.4	223	286
Net Gain/(Loss) on Financial Assets	5.1	(62)	-
Other Income	3.7	6,170	8,014
Total Income		382,705	325,420
Expenses			
Employee Costs	4.1	50,722	48,815
Materials & Services	4.2	80,264	74,974
Depreciation & Amortisation	4.3	33,908	31,384
Bad & Doubtful Debts	4.4	778	761
Borrowing Costs	4.5	839	939
Total Expenses		166,511	156,873
Surplus/(Deficit) for the Year		216,194	168,547
Other Comprehensive Income:			
Items that will not be reclassified to Surplus or Deficit in future periods			
Net Asset Revaluation Increment/(Decrement)	6.2	133,881	-
Total Items which will not be reclassified subsequently to the Operating Result		133,881	-
Total Comprehensive Result		350,075	168,547

The above statement should be read in conjunction with the accompanying notes

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2019

\$ '000	Notes	2019	Restated 2018
ASSETS			
Current Assets			
Cash & Cash Equivalents	5.1(a)	117,549	132,904
Trade & Other Receivables	5.1(c)	28,833	33,829
Other Financial Assets	5.1(b)	62,402	10,000
Inventories	5.2(a)	41	14
Non-current assets classified as held for sale	6.1	1,636	1,281
Other Assets	5.2(b)	29,439	47,767
Total Current Assets		239,900	225,795
Non-Current Assets			
Other Financial Assets	5.1(b)	306	368
Inventories	5.2(a)	119	178
Property, Infrastructure, Plant & Equipment	6.2	2,303,763	1,963,250
Investment Property	6.4	7,300	7,077
Intangible Assets	5.2(c)	3,357	3,684
Total Non-Current Assets		2,314,845	1,974,557
TOTAL ASSETS		2,554,745	2,200,352
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5.3(a)	25,917	20,557
Trust Funds & Deposits	5.3(b)	2,591	2,208
Provisions	5.5	10,546	10,026
Interest-Bearing Loans & Borrowings	5.4	2,962	2,826
Total Current Liabilities		42,016	35,617
Non-Current Liabilities			
Trust Funds & Deposits	5.3(b)	5,177	4,252
Provisions	5.5	1,718	1,758
Interest-Bearing Loans & Borrowings	5.4	12,981	15,947
Total Non-Current Liabilities		19,876	21,957
TOTAL LIABILITIES		61,892	57,574
Net Assets		2,492,853	2,142,778
EQUITY			
Accumulated Surplus		1,397,244	1,254,270
Reserves	9.1	1,095,609	888,508
Total Equity		2,492,853	2,142,778

The above statement should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2019					
Opening Balance		2,142,778	1,254,270	805,208	83,300
a. Surplus for the Year		216,194	216,194	-	-
b. Other Comprehensive Income - Net Asset Revaluation Increment/ (Decrement)		133,881	-	133,881	-
Other Comprehensive Income		133,881	-	133,881	-
Total Comprehensive Income		350,075	216,194	133,881	-
c. Transfers to Other Reserves		-	(117,865)	-	117,865
d. Transfers from Other Reserves		-	44,645	-	(44,645)
Equity - Balance at end of the reporting period		2,492,853	1,397,244	939,089	156,520

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2018					
Opening Balance (as per Last Year's Audited Accounts)		1,981,028	1,104,847	805,008	71,173
a. Correction of Prior Period Errors *	6.2	(6,796)	(6,996)	200	-
Restated Opening Balance (as at 1/7/17)		1,974,232	1,097,851	805,208	71,173
b. Surplus for the Year		168,547	168,547	-	-
Total Comprehensive Income		168,547	168,547	-	-
c. Transfers to Other Reserves		-	(39,068)	-	39,068
d. Transfers from Other Reserves		-	26,940	-	(26,940)
Equity - Balance at end of the reporting period		2,142,778	1,254,270	805,208	83,300

* The correction did not impact the surplus for the year

The above statement should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
Rates & Charges		112,825	106,228
Statutory Fees & Fines		7,892	5,913
User Fees		12,166	7,096
Grants - Operating		31,028	41,609
Grants - Capital		10,655	-
Contributions - Monetary		17,376	15,010
Interest Received		3,672	2,707
Trust Funds & Deposits Taken		1,308	508
Other Receipts		10,245	5,639
Net GST Refund/Payment		25,472	9,753
Employee Costs		(43,640)	(49,116)
Materials & Services		(71,998)	(71,177)
Other Payments		(19,471)	-
Net Cash provided by/(used in) Operating Activities	9.2	97,530	74,170
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant & Equipment	6.2	(78,298)	(36,362)
Proceeds from Sale of Property, Infrastructure, Plant & Equipment		21,483	9,121
Payments for Investments		(52,340)	(10,000)
Proceeds from Sale of Investments		(62)	-
Net Cash provided by/(used in) Investing Activities		(109,217)	(37,241)
Cash Flows from Financing Activities			
Finance Costs		(839)	(939)
Repayment of Borrowings		(2,830)	(3,380)
Net Cash provided by/(used in) Financing Activities		(3,669)	(4,319)
Net Increase (Decrease) in Cash & Cash Equivalents		(15,356)	32,610
Cash & Cash Equivalents at the beginning of the financial year		132,905	100,295
Cash & Cash Equivalents at the end of the financial year		117,549	132,905
Financing Arrangements	5.6	2,000	2,000
Restrictions on Cash Assets	5.1	86,829	83,839

The above statement should be read in conjunction with the accompanying notes

STATEMENT OF CAPITAL WORKS FOR THE YEAR ENDED 30 JUNE 2019

\$ '000	Notes	2019	2018
Property			
Land		3,837	1,321
Total Land		3,837	1,321
Buildings			
		15,683	5,061
Total Buildings		15,683	5,061
Total Property		19,520	6,382
Plant & Equipment			
Plant, Machinery & Equipment		1,032	927
Fixtures, Fittings & Furniture		54	215
Computers & Telecommunications		315	302
Library Books		423	411
Total Plant & Equipment		1,824	1,855
Infrastructure			
Roads		14,850	12,011
Bridges		4,303	4,579
Footpaths & Cycleways		1,715	768
Drainage		241	441
Recreational		28,007	10,563
Other Infrastructure		2,096	3,065
Total Infrastructure		51,212	31,427
Total Capital Works Expenditure		72,556	39,664
Represented by:			
New Asset Expenditure		53,618	19,608
Asset Renewal Expenditure		9,540	12,307
Asset Expansion Expenditure		7,859	4,476
Asset Upgrade Expenditure		1,539	3,273
Total Capital Works Expenditure		72,556	39,664

The above statement should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

OVERVIEW

The Melton City Council (formerly the Melton Shire Council until 4 September 2012) was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate.

The Council's main office is located at 232 High Street, Melton.

Statement of Compliance

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

Significant accounting policies

(a) Basis of Accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- (i) the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2.)
- (ii) the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2.).
- (iii) the determination of employee provisions (refer to Note 5.5.).
- (iv) the determination of landfill provisions (refer to Note 5.5.).
- (v) other areas requiring judgements.

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

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. PERFORMANCE AGAINST BUDGET

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature. The budget figures detailed below are those adopted by Council on 25 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

\$ '000	Variance %	Ref	Budget 2019	Actual 2019	Variance 2019
1.1. Income & Expenditure					
Income					
Rates & Charges	-0.82%	1	114,439	113,503	(936)
Statutory Fees & Fines	52.21%	2	5,185	7,892	2,707
User Fees	25.59%	3	9,687	12,166	2,479
Grants - Operating	55.44%	4	19,962	31,028	11,066
Grants - Capital	8.18%	5	9,849	10,655	806
Contributions - Monetary	-35.41%	6	26,900	17,376	(9,524)
Contributions - Non-monetary	295.34%	7	47,088	186,159	139,071
Net Gain/(Loss) on Disposal of IPP&E	-114.40%	8	16,702	(2,405)	(19,107)
Fair Value Adjustments for Investment Property	0.00%		-	223	223
Net Gain/(Loss) on Financial Assets	0.00%		-	(62)	(62)
Other Income	27.16%	9	4,852	6,170	1,318
Total Income	50.28%		254,664	382,705	128,041
Expenses					
Employee Costs	-12.80%	10	58,166	50,722	(7,444)
Materials & Services	15.29%	11	69,617	80,264	10,647
Bad & Doubtful Debts	72.89%	12	450	778	328
Depreciation & Amortisation	-1.67%	13	34,484	33,908	(576)
Borrowing Costs	6.88%		785	839	54
Other Expenses	-100.00%	11	6,230	-	(6,230)
Total Expenses	-1.90%		169,732	166,511	(3,221)
Surplus/(Deficit) for the Year	154.55%		84,932	216,194	131,262

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. PERFORMANCE AGAINST BUDGET (CONTINUED)

1.1. Income & Expenditure (continued)

Explanation of Material Variations

Item	Explanation
1. Rates and Charges	Unfavourable variance mainly due to supplementary rates falling below budget target due to lower number of properties being released than budgeted as a result of slow down in the property market.
2. Statutory Fees and Charges	Higher than budgeted income in Statutory Fees and Fines due to higher than anticipated growth. Compliance, Engineering Services and City Design areas were all favourable to budget.
3. User Fees	The favourable variance is mainly attributable to: <ul style="list-style-type: none"> – Subdivision construction supervision and public lighting charges that were higher than budget due to increase in the number of land development activities. – An increase in rental and lease income from properties due to improved management of leases and rental income as a result of centralisation of function. Higher fee income in community care in CSHP programs in brokerage and client fees.
4. Grants – Operating	Favourable variance is mainly attributable to the following: <ul style="list-style-type: none"> – In June 2018, the Commonwealth Government brought forward the payment of half the estimated aggregate 2019-20 financial assistance grants allocation to Victorian councils which amounted to \$8.24 million. – Unbudgeted grants of \$1.93 million received in the year for a number of programs such as Youth Learning Pathways, right@home and others. – Higher than budgeted grants of \$1.12 million was received during the year for a number of ongoing programs such as Family Day Care, Maternal Child Health, Community Care CHSP services and others.
5. Grants – Capital	Favourable variance is attributable to the following: <ul style="list-style-type: none"> – Unbudgeted capital grants received in the year-to-date period amounted to \$6.358 million for projects such as Eynesbury sporting facility and Caroline Spring Community Pavilion Extension. – The overall favourable variance was partly offset by a number of grants amounting to \$5.55 million which have not been received or received in part by the end of the year. These include Hume Drive Duplication, Scouts Activity Centre and Melton Central Community Centre.
6. Contributions – Monetary	The cash contributions received in the year were lower than the budget. This is mainly attributed to the higher than budgeted Precinct Structure Plan offsets applied for the year which represents the value of non-monetary assets provided by the Developer.
7. Contributions – Non-Monetary	Non-Monetary contributions received for the year were significantly higher than budget for the year. The significant level of the favourable variance is an indication of the level of development taking place in the municipality which was higher than the level anticipated in the budget.
8. Net Gain on Disposal of Assets	The overall unfavourable variance is due to two factors: <ul style="list-style-type: none"> – Atherstone land sales were lower than anticipated budget due to slow down of property market. – A write down and disposal of road infrastructure assets following review of asset category.
9. Other Income	Favourable variance relates to unbudgeted reimbursement and recoveries received such as relocation of RSL war memorial, Hillside Tennis Club Pavilion extension. Also Industrial land development cost reimbursements were received during the year which were unbudgeted during the year.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. PERFORMANCE AGAINST BUDGET (CONTINUED)

1.1. Income & Expenditure (continued)

Explanation of Material Variations

	Item	Explanation
10.	Employee Costs	The favourable variance is attributable to filling of vacancies later than anticipated and lower than anticipated labour overhead expenditure such as annual leave loading and long service leave.
11.	Materials and Services Net of Other Expenses	Overall unfavourable variance is due to higher than anticipated agency costs due to backfilling of unfilled vacancies. Also higher than anticipated maintenance, legal expenses, plant operating expenses and utilities due to growth.
12.	Bad & Doubtful Debts	Increase in provision of Doubtful Debts related to other debtors. This unfavourable variance was due to review of outstanding debts in 2019 with more comprehensive data at hand.
13.	Depreciation and Amortisation	Depreciation charge is lower than budget for the year and mainly attributable to Roads (\$1.04 million), Recreation (\$905,000), Drainage (\$198,000) and Library Books (\$179,000).

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. PERFORMANCE AGAINST BUDGET (CONTINUED)

\$ '000	Variance %	Ref	Budget 2019	Actual 2019	Variance 2019
1.2. Capital Works					
Property					
Land	35.63%	1	2,829	3,837	1,008
Total Land	35.63%		2,829	3,837	1,008
Buildings	-30.89%	2	22,694	15,683	(7,011)
Total Buildings	-30.89%		22,694	15,683	(7,011)
Total Property	-23.52%		25,523	19,520	(6,003)
Plant & Equipment					
Plant, Machinery & Equipment	-17.44%	3	1,250	1,032	(218)
Fixtures, Fittings & Furniture	-46.00%		100	54	(46)
Computers & Telecommunications	-3.96%		328	315	(13)
Library Books	3.93%		407	423	16
Total Plant & Equipment	-12.52%		2,085	1,824	(261)
Infrastructure					
Roads	-13.45%	4	17,158	14,850	(2,308)
Bridges	-8.66%	5	4,711	4,303	(408)
Footpaths & Cycleways	49.13%	6	1,150	1,715	565
Drainage	447.73%		44	241	197
Recreational	13.29%	7	24,721	28,007	3,286
Other Infrastructure	-13.50%		2,423	2,096	(327)
Total Infrastructure	2.00%		50,207	51,212	1,005
Total Capital Works Expenditure	-6.76%		77,815	72,556	(5,259)
Represented By:					
New Asset Expenditure	2.09%		52,521	53,618	1,097
Asset Renewal Expenditure	65.25%		5,773	9,540	3,767
Asset Expansion Expenditure	109.13%		3,758	7,859	4,101
Asset Upgrade Expenditure	-90.24%		15,763	1,539	(14,224)
Total Capital Works Expenditure	-6.76%		77,815	72,556	(5,259)

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. PERFORMANCE AGAINST BUDGET (CONTINUED)

1.2. Capital Works (continued)

Explanation of Material Variations

	Item	Explanation
1.	Land	The unfavourable variance is due to higher than anticipated land purchases in land development areas which was triggered by rate of development.
2.	Building	Under expenditure compared to budget was due to the following: <ul style="list-style-type: none"> – The budgeted amount for the Plumpton Aquatic Centre. Land development in the area has not progressed to a point where the identified land parcel is available for acquisition. – Civic Centre Redevelopment – Council resolved for officers to do further analysis before project proceeds. – Melton Community Centre Project - The original project scope was the subject of multiple funding applications to both State and Federal Government. Council was unsuccessful in one of the funding applications resulting in a significant reduction in scope requiring a complete redesign and new procurement process resulting in lower expenditure during the year. – Female Change Room Upgrades - experienced delays in obtaining approvals. – The overall favourable variance is partly offset by higher than budgeted expenditure in the Aintree Community Hub project. – Aintree Community Hub project spans multiple calendar years. The contractor completed the works in a much shorter time frame than anticipated.
3.	Plant and Machinery	Plant Machinery and equipment purchases was lower than budget. Fleet replacement varies year on year depending on number of vehicles replaced according to motor vehicles policy and new vehicles added to the fleet.
4.	Roads	The budgeted amount was for payment of works associated with the Melton Rail line duplication works being undertaken by the State Government. Those works have been delayed.
5.	Bridges	Under expenditure relates to slight delay in completion of some bridge works, completion is anticipated in early 2019/20.
6.	Footpath and Cycleways	Footpath replacement expenditure was higher than approved budget due to higher than anticipated works carried forward from 2017/18.
7.	Recreational Facilities	The unfavourable variance is mainly due to higher than anticipated cost of Caroline Springs Regional Tennis Centre. The unfavourable variance from this project was partly offset by the favourable variance from Kurunjang Community Extension with expenditure lower than anticipated budget.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2.1(A). ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

CEO & Governance

The office of the CEO incorporates Legal Services, Procurement and Governance Services.

Corporate Services

The Corporate Services directorate incorporates the Finance, Risk & Performance, Information Technology, Engagement & Advocacy and People & Culture service units. The Corporate Services directorate provides internal support to Council Staff, and engages in advocacy on behalf of the municipality.

Community Services

The Community Services directorate incorporates the Community Care, Families & Children, Community Planning, Recreation & Youth and Libraries service units. The Community Services directorate provides a range of services to people within our community, through provision of leisure and sporting infrastructure, libraries, care services for families, children, the elderly and those with disabilities.

Planning & Development

The Planning & Development directorate incorporates the Engineering Services, Operations, Planning Services, Compliance, Capital Projects and City Design, Strategy & Environment service units. The Planning & Development directorate provides project management services for capital projects such as new community infrastructure, planning, engineering, environmental health and building services to the community.

NOTE 2.1(B). SUMMARY OF REVENUES, EXPENSES AND ASSETS BY PROGRAM

\$ '000

Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2.1(a).

Functions/activities	Income 2019	Expenses 2019	Surplus/ (Deficit) 2019	Grants included in income 2019	Total assets 2019
CEO & Governance	1,650	3,710	(2,060)	-	-
Corporate Services	336,776	62,453	274,323	16,568	859,300
Community Services	16,865	30,970	(14,105)	13,588	43,444
Planning & Development	27,414	69,378	(41,964)	11,527	1,652,001
Total functions and activities	382,705	166,511	216,194	41,683	2,554,745

\$ '000

Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2.1(a).

Functions/activities	Income 2018	Expenses 2018	Surplus/ (Deficit) 2018	Grants included in income 2018	Total assets 2018
CEO & Governance	1,467	3,182	(1,715)	-	-
Corporate Services	277,249	58,878	218,371	15,979	759,791
Community Services	16,965	30,580	(13,615)	12,003	45,768
Planning & Development	29,739	64,233	(34,494)	14,785	1,394,793
Total functions and activities	325,420	156,873	168,547	42,767	2,200,352

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3. FUNDING FOR THE DELIVERY OF OUR SERVICES

\$ '000	Notes	2019	2018
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3.1. 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 2018/19 was \$32,166 million (2017/18: \$24,178 million).

General Rates		71,620	65,407
Municipal Charge		8,286	7,655
Supplementary Rates & Rate Adjustments		3,372	4,130
Commercial		5,711	6,539
Industrial		5,646	5,813
Rural		5,438	4,407
Garbage Charge		13,430	12,204
Total Rates & Charges		113,503	106,155

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

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

3.2. Statutory Fees & Fines

Infringements & Costs		1,639	2,631
Court Recoveries		731	566
Land Information Certificates		129	159
Permits		3,780	2,291
Property Information Requests		915	505
Other		698	193
Total Statutory Fees & Fines		7,892	6,345

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3. FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

\$ '000	Notes	2019	2018
3.3. User fees			
Aged & Health services		485	477
Leisure Centre & Recreation		1,775	1,733
Child Care/Children's Programs		760	686
Registration & Other Permits		1,076	1,218
Building Services		375	451
Waste Management Services		2,499	2,270
Youth program fees		121	113
Subdivision fees		3,473	2,185
Other Fees & Charges		1,602	1,605
Total User Fees		12,166	10,738

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

3.4. Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	21,781	25,310
State funded grants	19,766	17,045
Other Funding Grants	136	412
Total	41,683	42,767

(a) Operating Grants

Recurrent - Commonwealth Government

Victoria Grants Commission	16,093	15,642
Family Day Care	1,519	1,083
Other	3,514	3,514

Recurrent - State Government

Aged care	1,935	1,958
Libraries	914	888
Children's Services	2,755	2,581
Community Support and Development	1,130	1,083
Community Health	104	115
Planning and Development	220	45
Youth Services	360	45
Other Community	365	301
Other	498	335
Total Recurrent Operating Grants	29,407	27,590

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3. FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

\$ '000	Notes	2019	2018
3.4. Funding from other levels of government (continued)			
(a) Operating Grants (continued)			
<i>Non-recurrent - Commonwealth Government</i>			
Nil			
<i>Non-recurrent - State Government</i>			
Community Health		138	111
Family & Children		100	-
Children's Services		384	216
Community Support and Development		168	120
Community Safety		85	76
Environment		127	135
Family, Youth and Housing		98	132
Other		521	168
Total Non-Recurrent Operating Grants		1,621	958
Total Operating Grants		31,028	28,548
(b) Capital Grants			
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery		136	1,953
<i>Recurrent - State Government</i>			
Other		23	-
Total Recurrent Capital Grants		159	1,953
<i>Non-recurrent - Commonwealth Government</i>			
Streetscape		655	3,119
<i>Non-recurrent - State Government</i>			
Buildings		2,810	5,150
Recreation		5,151	3,762
Other		1,880	235
Total Non-Recurrent Capital Grants		10,496	12,266
Total Capital Grants		10,655	14,219
Total Grants		41,683	42,767
(c) Unspent Grants received on Condition that they be spent in a Specific Manner:			
Balance at start of year		9,397	4,884
Received during the financial year and remained unspent at balance date		10,094	6,738
Received in prior years and spent during the financial year		(8,883)	(2,225)
Balance at Year End		10,608	9,397

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been received.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3. FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

\$ '000	Notes	2019	2018
3.5. Contributions			
Monetary Contributions			
Monetary		17,376	15,010
Total Monetary Contributions		17,376	15,010
Non-Monetary Contributions			
Land		51,008	7,731
Land Under Roads		9,905	7,279
Roads		65,143	37,363
Footpaths		11,925	9,840
Drainage		32,802	23,184
Recreation		1,280	10,508
Kerb and Channel		6,435	4,689
Traffic Management		5,674	3,352
Bridges		5	752
Car parks		1,982	-
Other		-	7,936
Total Non-Monetary Contributions		186,159	112,634
Total Contributions		203,535	127,644

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3. FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

\$ '000	Notes	2019	2018
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment			
Land Held for Sale			
Proceeds of Sale		21,483	39,918
Written Down Value of Assets Disposed		(12,157)	(14,705)
Total Net Gain/(Loss) on Land Held for Sale		9,326	25,213
Buildings			
Proceeds of Sale		-	-
Written Down Value of Assets Disposed		(1,714)	(655)
Total Net Gain/(Loss) on Disposal of Buildings		(1,714)	(655)
Plant and Equipment			
Proceeds of Sale		-	-
Written Down Value of Assets Disposed		(552)	(637)
Total Net Gain/(Loss) on Disposal of Plant and Equipment		(552)	(637)
Infrastructure Assets			
Proceeds of Sale		-	-
Written Down Value of Assets Disposed		(9,465)	(450)
Total Net Gain/(Loss) on Disposal of Infrastructure Assets		(9,465)	(450)
Total Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		(2,405)	23,471

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

3.7. Other income

Interest		3,672	2,888
Investment Property Rental		289	318
Festival sponsorship		33	39
Program Revenue		793	890
Rebates		(7)	1,298
Other		1,390	2,581
Total Other Income		6,170	8,014

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4. THE COST OF DELIVERING SERVICES

\$ '000	Notes	2019	2018
4.1. (a). Employee costs			
Wages & Salaries		44,103	41,769
WorkCover		859	985
Casual Staff		998	1,168
Superannuation	4.1 (b)	4,070	3,972
Fringe Benefits Tax		123	152
Other		569	769
Total Employee Costs		50,722	48,815

4.1. (b). Superannuation

Council made contributions to the following funds:

Defined Benefit Fund

Employer Contributions to Local Authorities Superannuation Fund (Vision Super)	156	151
	156	151

Accumulation Funds

Employer Contributions to Local Authorities Superannuation Fund (Vision Super)	3,914	3,821
	3,914	3,821
Total Superannuation Costs	4,070	3,972

Refer to Note 9.3. for further information relating to Council's superannuation obligations.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4. THE COST OF DELIVERING SERVICES (CONTINUED)

\$ '000	Notes	2019	2018
4.2. Materials and services			
Contract Payments		35,864	34,918
General Maintenance		8,224	8,167
Utilities		6,127	5,259
Information Technology		825	746
Insurance		1,208	1,183
Consultants		407	582
Garbage collection and disposal		488	117
Contract labour		7,175	6,787
Administrative support		8,281	7,387
Program expenses		4,230	3,081
Professional fees		3,388	2,808
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals		70	60
Auditors' remuneration - Internal		103	126
Contributions and donations		643	837
Councillors' allowances		374	368
Transport and vehicle operations		516	487
Other		2,341	2,061
Total Materials & Services		80,264	74,974

4.3. Depreciation and amortisation

Property

Buildings - Specialised	6.2	5,190	4,939
Buildings - Non-specialised	6.2	522	(18)
Total Depreciation - Property		5,712	4,921

Plant & Equipment

Plant Machinery & Equipment	6.2	799	720
Fixtures Fittings & Furniture	6.2	47	6
Computers & Telecomms	6.2	100	11
Library Books	6.2	171	60
Total Depreciation - Plant & Equipment		1,117	797

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4. THE COST OF DELIVERING SERVICES (CONTINUED)

\$ '000	Notes	2019	2018
Infrastructure			
Roads	6.2	10,406	10,204
Bridges	6.2	483	299
Footways & Cycleways	6.2	3,130	2,889
Drainage	6.2	4,203	3,960
Recreational, Leisure & Community	6.2	3,030	2,765
Off Street Car Parks	6.2	413	374
Kerb and Channel	6.2	1,846	1,760
Traffic Management	6.2	3,150	2,993
Other Infrastructure	6.2	91	94
Total Depreciation - Infrastructure		26,752	25,338
Other			
Intangible Assets	5.2(c)	327	328
Total Amortisation - Other		327	328
Total Depreciation & Amortisation		33,908	31,384

Refer to Note 5.2(c) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4. Bad and doubtful debts

Other Debtors	542	25
Infringements	236	736
Total Bad & Doubtful Debts	778	761

Movement in provisions for doubtful debts - other debtors

Balance at the beginning of the year	25	43
New Provisions recognised during the year	542	25
Amounts already provided for and written off as uncollectible	(18)	(41)
Amounts provided for but recovered during the year	-	(2)
Balance at end of year	549	25

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.5. Borrowing costs

Interest - Borrowings	839	939
Total Borrowing Costs	839	939

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION

\$ '000	Notes	2019	2018
5.1. Financial assets			
(a) Cash and cash equivalents			
Current			
Cash on Hand		7	7
Cash at Bank		5,596	29,946
Short-term investments		111,946	102,951
Total Current Cash & Cash Equivalents		117,549	132,904
Non-Current			
Nil			
(b) Other financial assets			
Current			
Term Deposits		62,402	10,000
Total Other Financial Assets		62,402	10,000
Non-Current			
Unlisted Shares - Regional Kitchen Pty Ltd		306	368
Total Other Financial Assets		306	368
External Restrictions			
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust Funds & Deposits	5.3	7,768	6,460
Reserves	9.1	78,637	74,081
Fire Services Levy	5.3	424	3,298
Total Restricted Funds		86,829	83,839
Total Unrestricted Cash & Cash Equivalents		30,720	49,065
Intended Allocations			
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:			
Cash Held to Fund Carried Forward Capital Works		10,237	14,136
Total Funds Subject to Intended Allocations		10,237	14,136

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

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
(c) Trade and other receivables			
Current			
<i>Statutory Receivables</i>			
Rates Debtors		6,687	6,009
Infringement Debtors		4,013	3,648
<i>Non-Statutory Receivables</i>			
Accrued Interest		346	472
Other Debtors		21,331	26,106
Provisions for Doubtful Debts			
Provision for Doubtful Debts - Other Debtors	5.1(c)(ii)	(549)	(25)
Provision for Doubtful Debts - Infringements		(2,995)	(2,381)
Total Current Trade & Other Receivables		28,833	33,829
Total Trade & Other Receivables		28,833	33,829

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

i) Ageing of Receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	13,319	12,974
Past due by up to 30 days	1,529	3,995
Past due between 31 and 180 days	613	2,108
Past due between 181 and 365 days	575	5,551
Past due by more than 1 year	5,092	1,925
Total Trade & Other Receivables	21,128	26,553

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
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5.1. Financial assets (continued)

(c) Trade and other receivables (continued)

ii) Ageing of Individually Impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$549,455 (2018: \$25,485) were impaired and a corresponding provision raised against this amount. They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)		-	-
Past due by up to 30 days		-	-
Past due between 31 and 180 days		118	-
Past due between 181 and 365 days		209	-
Past due by more than 1 year		222	25
Total Trade & Other Receivables		549	25

5.2. Non-financial assets

(a) Inventories

Current

Land for Interment Purposes		41	14
Total Inventories		41	14

Non-Current

Land for Interment Purposes		119	178
Total Inventories		119	178

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
5.2. Non-financial assets (continued)			
(b) Other assets			
Current			
Accrued Income		29,439	47,767
Total Other Assets		29,439	47,767

Accrued income relates to income earned but not yet received. Accrued income is largely attributed to Atherstone land sales.

(c) Intangible assets

Non-Exclusive Licences - Caroline Springs College Creekside Campus	363	437
Non-Exclusive Licences - Springside Children's and Community Centre	1,134	1,232
Non-Exclusive Licences - Kororoit Creek Early Learning Centre	1,860	2,015
Total Intangible Assets	3,357	3,684

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

	Non-Exclusive Licences - Caroline Springs College Creekside Campus	Non-Exclusive Licences - Springside Children's and Community Centre	Non-Exclusive Licences - Kororoit Creek Early Learning Centre	Total
Gross Carrying Amount				
Balance at 1 July 2018	1,478	1,962	3,100	6,540
Additions from Internal Developments	-	-	-	-
Balance at 30 June 2019	1,478	1,962	3,100	6,540
Accumulated Amortisation & Impairment				
Balance at 1 July 2018	1,041	730	1,085	2,856
Amortisation Expense	74	98	155	327
Balance at 30 June 2019	1,115	828	1,240	3,183
Net Book Value at 30 June 2018	437	1,232	2,015	3,684
Net Book Value at 30 June 2019	363	1,134	1,860	3,357

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
5.3. Payables			
(a) Trade and other payables			
Current			
Trade Payables		14,368	13,789
Accrued Expenses		11,125	3,470
Fire service levy		424	3,298
Total Trade & Other Payables		25,917	20,557
Non-Current			
Nil			
Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a monthly basis. Amounts disclosed here will be remitted to the State Government in line with that process.			
(b) Trust funds and deposits			
Current			
Refundable Deposits		2,477	2,094
Construction retention monies		114	114
Total Trust Funds & Deposits		2,591	2,208
Non-Current			
Refundable Deposits		5,030	4,252
Other Refundable Deposits		147	-
Total Trust Funds & Deposits		5,177	4,252

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and Nature of Items

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

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
5.4. Interest-bearing liabilities			
Current			
Loans - Secured		2,962	2,826
		2,962	2,826
Non-Current			
Loans - Secured		12,981	15,947
		12,981	15,947
Total Interest-Bearing Loans & Borrowings		15,943	18,773

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

a) The Maturity Profile for Council's Borrowings is:

Not later than one year		2,962	2,826
Later than one year and not later than five years		9,818	10,177
Later than five years		3,162	5,770
		15,942	18,773

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
5.5. Provisions			
2019			
Balance at the Beginning of the Financial Year		11,784	11,784
Additional provisions		4,416	4,416
Amounts Used		(3,936)	(3,936)
Balance at the End of the Financial Year		12,264	12,264
2018			
Balance at the Beginning of the Financial Year		11,219	11,219
Additional provisions		4,197	4,197
Amounts Used		(3,632)	(3,632)
Balance at the End of the Financial Year		11,784	11,784
(a) Employee Provisions			
Current Provisions Expected to be wholly Settled within 12 Months			
Annual Leave		2,825	2,789
Long Service Leave		836	635
		3,661	3,424
Current Provisions Expected to be wholly Settled after 12 Months			
Annual Leave		1,079	1,083
Long Service Leave		5,806	5,519
		6,885	6,602
Total Current Employee Provisions		10,546	10,026
Non-Current			
Long Service Leave		1,718	1,758
Total Non-Current Employee Provisions		1,718	1,758
Aggregate Carrying Amount of Employee Provisions:			
Current		10,546	10,026
Non-Current		1,718	1,758
Total Aggregate Carrying Amount of Employee Provisions		12,264	11,784

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
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(a) Employee Provisions (continued)

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:		
- discount rate	1.04%	2.65%
- inflation rate	4.31%	3.88%
- settlement rate	144mths	144mths

5.6. Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

Bank Overdraft	1,800	1,800
Credit Card Facilities	200	200
Total Facilities	2,000	2,000

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Not later than 1 year	Later than 1 year & not later than 2 years	Later than 2 years & not later than 5 years	Later than 5 years	Total
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5.7. Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2019

Operating

Recycling facility operations	4,800	4,800	4,800	-	14,400
Garbage and recycling collection	7,500	7,500	21,417	13,000	49,417
Health/Cleaning Services	2,055	2,055	-	-	4,110
Corporate Services	125	-	-	-	125
Parks maintenance services	5,929	6,105	-	-	12,034
Road maintenance	6,190	6,266	3,600	-	16,056
IT services	1,515	144	60	-	1,719
Total	28,114	26,870	29,877	13,000	97,861

Capital

Buildings	9,528	686	-	-	10,214
Roads	970	-	-	-	970
Recreational	10,326	310	81	-	10,717
Total	20,824	996	81	-	21,901

2018

Operating

Recycling facility operations	4,250	-	-	-	4,250
Garbage and recycling collection	6,027	-	-	-	6,027
Corporate Services	750	125	-	-	875
Parks maintenance services	5,850	12,034	6,193	-	24,077
Road maintenance	6,112	10,056	5,142	-	21,310
Leisure services	94	263	-	-	357
IT services	400	339	-	-	739
Total	23,483	22,817	11,335	-	57,635

Capital

Buildings	1,933	308	18	-	2,259
Roads	10,001	-	-	-	10,001
Recreational	17,067	8	4	-	17,079
Total	29,001	316	22	-	29,339

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OUR FINANCIAL POSITION (CONTINUED)

\$ '000	Notes	2019	2018
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5.7. Commitments (continued)

(a) Operating Lease Commitments

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

Not later than one year		111	81
Later than one year & not later than five years		249	-
Later than five years		-	-
		359	81

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

NOTE 6. ASSETS WE MANAGE

\$ '000	Notes	2019	2018
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6.1. Non-current assets classified as held for sale

Non Current

Fair value of land		1,636	1,281
Total Non Current Assets Classified as Held for Sale		1,636	1,281

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

6.2. Property, Infrastructure, Plant & Equipment

Summary of property, infrastructure, plant and equipment \$ '000	Revised At WDV 30 June 2018	Additions	Contributions
Property	514,648	7,223	60,913
Plant and equipment	3,816	1,802	-
Infrastructure	1,408,826	-	125,245
Work in progress	35,963	61,990	-
Total	1,963,253	71,014	186,158

Summary of Work in Progress \$ '000	Opening WIP	Additions	Write-off
Property	4,240	21,376	-
Infrastructure	31,723	40,614	-
Total	35,963	61,990	-

Property \$ '000	Note	Land - Specialised	Land - Non- specialised	Land Under Roads	Total Land & Land Improvements
At Fair Value 1 July 2018		254,391	91,940	41,988	388,319
Accumulated Depreciation at 1 July 2018		-	-	-	-
Carrying Value - 1 July 2018		254,391	91,940	41,988	388,319

Movements in Fair Value

Additions	931	-	-	931
Contributions	51,008	-	9,905	60,913
Revaluation	-	-	-	-
Disposal	-	-	-	-
Transfers	(5,445)	-	-	(5,445)
Total Movements in Fair Value	46,494	-	9,905	56,399

**Movements in Accumulated
Depreciation**

Depreciation and Amortisation	-	-	-	-
Accumulated Depreciation of Disposals	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Total Movements in Accumulated Depreciation	-	-	-	-

At Fair Value 30 June 2019	300,885	91,940	51,893	444,718
Accumulated Depreciation at 30 June 2019	-	-	-	-
Carrying Value - 30 June 2019	300,885	91,940	51,893	444,718

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Revaluation	Depreciation	Disposal	Transfers	At WDV 30 June 2019
7,731	(5,712)	(1,714)	6,620	589,708
-	(1,117)	(552)	-	3,948
126,150	(26,752)	(9,251)	37,056	1,661,274
-	-	-	(49,121)	48,832
133,881	(33,581)	(11,517)	(5,445)	2,303,763

Transfers	Closing WIP
(11,580)	14,036
(37,541)	34,796
(49,121)	48,832

Buildings - Specialised	Buildings - Non- specialised	Total Buildings	Work In Progress	Total Property
156,080	12,426	168,506	4,240	561,065
(41,819)	(358)	(42,177)	-	(42,177)
114,261	12,068	126,329	4,240	518,888

6,207	85	6,292	21,376	28,598
-	-	-	-	60,913
54,167	7,752	61,919	-	61,919
(2,963)	(442)	(3,405)	-	(3,405)
11,586	(6)	11,580	(11,580)	(5,445)
68,997	7,389	76,386	9,796	142,581

(5,190)	(522)	(5,712)	-	(5,712)
1,632	59	1,691	-	1,691
(44,122)	(10,066)	(54,188)	-	(54,188)
484	-	484	-	484
(47,196)	(10,529)	(57,726)	-	(57,726)

225,077	19,815	244,892	14,036	703,646
(89,016)	(10,887)	(99,903)	-	(99,903)
136,061	8,928	144,989	14,036	603,743

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

6.2. Property, Infrastructure, Plant & Equipment (continued)

Infrastructure \$ '000	Note	Roads	Bridges	Footpaths	Drainage
Revised At Fair Value 1 July 2018	*	820,681	20,065	150,075	385,902
Revised Accumulated Depreciation at 1 July 2018	*	(125,023)	(6,096)	(9,500)	(60,202)
Carrying Value - 1 July 2018		695,658	13,969	140,574	325,700

Movements in Fair Value

Additions	-	-	-	-	
Contributions	65,143	5	11,925	32,802	
Revaluation	(4,916)	55,778	-	-	
Disposal	(6,778)	(257)	(639)	(1,822)	
Transfers	7,146	11,554	6,995	3,770	
Total Movements in Fair Value		60,595	67,079	18,282	34,750

Movements in Accumulated Depreciation

Depreciation and Amortisation	(10,406)	(483)	(3,130)	(4,203)	
Accumulated Depreciation of Disposals	1,854	109	58	298	
Revaluation	4,688	(8,943)	-	-	
Transfers	305	-	-	-	
Total Movements in Accumulated Depreciation		(3,559)	(9,316)	(3,072)	(3,905)

At Fair Value 30 June 2019	881,277	87,145	168,356	420,653	
Accumulated Depreciation at 30 June 2019	(128,582)	(15,412)	(12,572)	(64,107)	
Carrying Value - 30 June 2019		752,695	71,733	155,784	356,546

* Correction of prior year error

Council has made a retrospective restatement as at 1 July 2017 due to a transfer of roads to VicRoads that had not previously been accounted for. A net decrease of \$6.795m has been made to the Balance Sheet and Statement of Changes in Equity as outlined. Council has adjusted comparative numbers for the error and restated each of the affected financial statements for the 2017/18 financial year, as shown in the table (right).

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Recreation	Car Parks	Kerb and Channel	Traffic Management	Other Infrastructure	Work in Progress	Total Infrastructure
71,409	23,831	107,686	80,251	2,767	31,723	1,694,390
(25,640)	(4,482)	(4,661)	(16,766)	(1,470)	-	(253,841)
45,769	19,349	103,024	63,485	1,297	31,723	1,440,549
-	-	-	-	-	40,614	40,614
1,280	1,982	6,435	5,674	-	-	125,245
-	-	126,825	-	-	-	177,687
(3,039)	(300)	(590)	(166)	-	-	(13,589)
1,066	2,127	934	3,842	107	(37,541)	-
(693)	3,809	133,604	9,350	107	3,073	329,957
(3,030)	(413)	(1,846)	(3,150)	(91)	-	(26,752)
1,883	45	22	68	-	-	4,338
-	-	(47,282)	-	-	-	(51,537)
(485)	(305)	-	-	-	-	(485)
(1,631)	(673)	(49,106)	(3,082)	(91)	-	(74,435)
70,715	27,640	241,290	89,601	2,874	34,796	2,024,347
(27,271)	(5,155)	(53,767)	(19,848)	(1,561)	-	(328,275)
43,444	22,485	187,523	69,753	1,313	34,796	1,696,072

	Original fair value 1 July 2018	Adjustment	Restated fair value 1 July 2018	Originl accum deprn at 1 July 2018	Adjustment	Revised Accum deprn at 1 July 2018
Roads	828,291	(7,612)	820,679	(125,851)	828	(125,023)
Bridges	20,065	-	20,065	(6,096)	-	(6,096)
Footpaths	150,073	2	150,075	(9,500)	-	(9,500)
Drainage	385,902	-	385,902	(60,202)	-	(60,202)
Recreation	71,409	-	71,409	(25,640)	-	(25,640)
Car parks	23,768	63	23,831	(4,391)	(91)	(4,482)
Kerb and Channel	107,687	(1)	107,686	(4,663)	-	(4,663)
Traffic Management	80,251	-	80,251	(16,780)	14	(16,766)
Other	2,767	-	2,767	(1,470)	-	(1,470)
WIP	31,723	-	31,723	-	-	-
	1,701,936	(7,548)	1,694,388	(254,593)	751	(253,842)
Opening Accumulated Surplus	1,104,847	(6,997)	1,097,851			
Asset Revaluation Reserve	805,008	200	805,208			

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

6.2. Property, Infrastructure, Plant & Equipment (continued)

Plant & Equipment \$ '000	Note	Plant Machinery & Equipment	Fixtures Fittings & Furniture	Computers & Telecomms	Library Books	Total Plant & Equipment
At Fair Value 1 July 2018		5,133	794	5,947	2,133	14,007
Accumulated Depreciation at 1 July 2018		(2,928)	(658)	(5,654)	(951)	(10,191)
Carrying Value - 1 July 2018		2,205	136	293	1,182	3,816
Movements in Fair Value						
Additions		1,059	10	309	423	1,802
Disposal		(844)	-	-	(928)	(1,771)
Total Movements in Fair Value		215	10	309	(504)	30
Movements in Accumulated Depreciation						
Depreciation and Amortisation		(799)	(47)	(100)	(171)	(1,117)
Accumulated Depreciation of Disposals		691	-	-	528	1,219
Total Movements in Accumulated Depreciation		(108)	(47)	(100)	357	102
At Fair Value 30 June 2019		5,348	804	6,256	1,629	14,037
Accumulated Depreciation at 30 June 2019		(3,036)	(705)	(5,754)	(594)	(10,089)
Carrying Value - 30 June 2019		2,312	99	502	1,035	3,948

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

\$ '000

6.2. Property, infrastructure, plant and equipment (continued)

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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

<i>Asset recognition thresholds and depreciation periods</i>	Depreciation Period years	Threshold Limit \$ '000
Land and Land Improvements		
Land	N/A	Nil
Land Under Roads	N/A	Nil
Buildings		
Buildings	50	Nil
Plant and Equipment		
Plant and Machinery	5	5
Furniture and Equipment	3 - 5	5
Library Assets	10	Nil
Infrastructure		
Roads	10 - 100	10
Footpaths	10 - 70	10
Kerb and Channel	10 - 70	10
Car Parks	10 - 70	10
Traffic Management	10 - 70	10
Bridges	25 - 100	25
Drainage Works	80 - 100	25
Recreation Facilities	3 - 30	1
Other	20 - 100	Nil

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

\$ '000

6.2. Property, infrastructure, plant and equipment (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

Repairs and maintenance

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.

Leasehold improvements

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

Valuation of Land and Buildings

Valuation of land and buildings was undertaken by qualified independent valuers Opteon, the municipal valuer and FG Dixon Group respectively. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

\$ '000

6.2. Property, infrastructure, plant and equipment (continued)

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Date of valuation	Level 1	Level 2	Level 3
Non-specialised Land	30/06/19	-	91,940	-
Specialised Land	30/06/19	-	-	300,885
Land Under Roads	30/06/19	-	-	51,893
Buildings	1/07/18	-	-	144,989
Total		-	91,940	497,767

Valuation of Infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by FG Dixon Group.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Date of valuation	Level 1	Level 2	Level 3
Roads	30/06/19	-	-	752,695
Bridges	30/06/19	-	-	71,733
Footpaths & Cycleways	31/07/16	-	-	155,784
Drainage	30/06/16	-	-	356,546
Recreational, Leisure & Community Facilities	30/06/13	-	-	43,444
Car Parks	30/06/19	-	-	22,485
Kerb and Channel	30/06/19	-	-	187,523
Traffic Management	30/06/17	-	-	69,753
Other Infrastructure	30/06/14	-	-	1,313
Total		-	-	1,661,276

Description of significant unobservable inputs into level 3 valuations

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. ASSETS WE MANAGE (CONTINUED)

\$ '000

6.2. Property, infrastructure, plant and equipment (continued)

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

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 20 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

6.3. Investments in associates, joint arrangements and subsidiaries

Nil

6.4. Investment property

Balance at Beginning of Financial Year	7,077	6,791
Fair Value Adjustments	223	286
Balance at End of Financial Year	7,300	7,077

Investment property 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.

Valuation of investment property

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7. PEOPLE AND RELATIONSHIPS

\$ '000	2019	2018
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7.1. Council and key management remuneration

(a) Key Management Personnel

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

Councillors

Councillor Bob Turner (Mayor)
 Councillor Kathy Majdlik
 Councillor Lara Carli
 Councillor Steve Abboushi
 Councillor Ken Hardy
 Councillor Melissa De Santis (to May 2019)
 Councillor Goran Kesic
 Councillor Michelle Mendes
 Councillor Sophie Ramsey
 Councillor Yvonne Sebire (from June 2019)

Total Number of Councillors		10	9
Chief Executive Officer	Kelvin Tori	1	1
General Manager - Corporate Services	Peter Bean	1	1
General Manager - Community Services	Maurie Heaney	1	1
General Manager - Planning & Development	Luke Shannon	1	1
Total Number of Key Management Personnel		14	13

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7. PEOPLE AND RELATIONSHIPS

\$ '000	2019	2018
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7.1. Council and key management remuneration (continued)

(b) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	\$ '000	\$ '000
Short-term benefits	1,524	1,492
Long-term benefits	27	27
Post-employment benefits	107	104
Total	1,658	1,623

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

	No.	No.
\$1 - \$9,999	1	-
\$30,000 - \$39,999	8	7
\$50,000 - \$59,999	-	1
\$90,000 - \$99,999	-	1
\$110,000 - \$119,999	1	-
\$270,000 - \$279,999	3	3
\$390,000 - \$399,999	1	1
	14	13

(c) Senior Officer Remuneration

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

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$148,000.

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

Income Range:	No.	No.
Less than \$148,000	2	3
\$148,000 - \$149,999	-	1
\$160,000 - \$169,999	3	9
\$170,000 - \$179,999	7	3
\$180,000 - \$189,999	4	3
\$190,000 - \$199,999	2	-
\$250,000 - \$259,999	-	1
	18	20
Total Remuneration for the reporting year for Senior Officers included above amounted to:	\$ '000	\$ '000
	3,048	3,151

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7. PEOPLE AND RELATIONSHIPS (CONTINUED)

\$ '000	2019	2018
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7.2. Related party disclosure

(a) Transactions with Related Parties

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

Salaries paid to close family members of Key Management Personnel	223	219
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(b) Outstanding Balances with Related Parties

There are no outstanding balances with related parties as at 30 June 2019 (2018: Nil).

(c) Loans to/from Related Parties

No loans have been made, guaranteed or secured by the Council to Key Management Personnel of the Council during the reporting period (2018: Nil).

(d) Commitments to/from Related Parties

There are no commitments to or from related parties as at 30 June 2019 (2018: Nil).

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8. MANAGING UNCERTAINTIES

\$ '000	2019	2018
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8.1. Contingent assets and liabilities

(a) Contingent Assets

Developer contributions to be received in respect of estates currently under development is in the range of \$90m to \$100m (2018: \$65m to \$80m).

Operating Lease Receivables

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

Future minimum rentals receivable under non-cancellable operating leases are as follows:	2019	2018
Not later than one year	276	276
Later than one year & not later than five years	769	1,020
Later than five years	-	25
	1,045	1,321

(b) Contingent Liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$242,500.

Legal matters

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8. MANAGING UNCERTAINTIES (CONTINUED)

\$ '000

8.2. Change in accounting standards

The following new AASs have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will not see a significant recognition in lease related assets and an equivalent liability.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8. MANAGING UNCERTAINTIES (CONTINUED)

\$ '000

8.3. Financial instruments

(a) Objectives & Policies

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

(b) Market Risk

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

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*.

Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8. MANAGING UNCERTAINTIES (CONTINUED)

\$ '000

8.3. Financial instruments (continued)

(c) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity Risk

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

To help reduce these risks Council will:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8. MANAGING UNCERTAINTIES (CONTINUED)

\$ '000

8.3. Financial instruments (continued)

(d) Liquidity Risk (continued)

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity Disclosure Analysis

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

- A parallel shift of + 1% and - 1% in market interest rates (AUD) from year-end rates of 1.94%.

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

8.4. Fair value measurement

Fair Value Hierarchy

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

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8. MANAGING UNCERTAINTIES (CONTINUED)

\$ '000

8.4. Fair value measurement (continued)

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

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

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

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

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

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

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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced Council officers or independent experts.

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

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 of disposal and value in use, is compared to the asset's 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.

8.5. Events occurring after balance date

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9. OTHER MATTERS

\$ '000	Balance at Beginning of Reporting Period	Increment (Decrement)	Share of Incr. (Decr) on Revaluation of the Asset Class by an Associate	Balance at End of Reporting Period
9.1. Reserves				
(a) Asset Revaluation Reserves				
2019				
Property				
Land - Non-specialised	226,355	-	-	226,355
Buildings	58	7,731	-	7,789
	226,413	7,731	-	234,144
Infrastructure				
Roads	448,750	79,315	-	528,065
Bridges	5,023	46,835	-	51,858
Drainage	123,430	-	-	123,430
Recreational, Leisure & Community Facilities	913	-	-	913
Other Infrastructure	679	-	-	679
	578,795	126,150	-	704,945
Total Asset Revaluation Reserves	805,208	133,881	-	939,089
2018				
Property				
Land - Non-specialised	226,355	-	-	226,355
Buildings	58	-	-	58
	226,413	-	-	226,413
Infrastructure				
Roads	448,750	-	-	448,750
Bridges	5,023	-	-	5,023
Drainage	123,430	-	-	123,430
Recreational, Leisure & Community Facilities	913	-	-	913
Other Infrastructure	679	-	-	679
	578,795	-	-	578,795
Total Asset Revaluation Reserves	805,208	-	-	805,208

The asset revaluation reserve is used to record the movement in fair value of Council's assets over time.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9. OTHER MATTERS (CONTINUED)

\$ '000	Balance at Beginning of Reporting Period	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance at End of Reporting Period
9.1. Reserves (continued)				
(b) Other Reserves				
2019				
Restricted Reserves				
Street trees/drainage	899	25	-	924
Community infrastructure	73,182	46,653	(42,122)	77,713
Total Restricted Reserves	74,081	46,678	(42,122)	78,637
Discretionary Reserves				
Asset replacement	735	5,334	(2,378)	3,691
Perpetual Maintenance	126	3	-	129
Public Art	210	11	(52)	169
Defined Benefit Call	358	7	-	365
Accommodation Reserve	7,790	161	(93)	7,858
Atherstone Investment	-	65,671	-	65,671
Total Discretionary Reserves	9,219	71,187	(2,523)	77,883
Total Other Reserves	83,300	117,865	(44,645)	156,520
2018				
Restricted Reserves				
Street trees/drainage	883	16	-	899
Community infrastructure	59,176	38,995	(24,989)	73,182
Total Restricted Reserves	60,059	39,011	(24,989)	74,081
Discretionary Reserves				
Asset replacement	2,642	44	(1,951)	735
Perpetual Maintenance	124	2	-	126
Public Art	206	4	-	210
Defined Benefit Call	352	6	-	358
Accommodation Reserve	7,790	-	-	7,790
Total Discretionary Reserves	11,114	56	(1,951)	9,219
Total Other Reserves	71,173	39,067	(26,940)	83,300

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9. OTHER MATTERS (CONTINUED)

\$ '000	Notes	2019	2018
9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)			
Surplus/(Deficit) for the Year		216,194	168,547
Depreciation/Amortisation		33,908	31,384
Profit/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		2,405	(23,471)
Fair Value Adjustments for Investment Property		(223)	(286)
Contributions - Non-monetary Assets		(186,159)	(112,634)
Net Gain/(Loss) on Fair Value of Financial Assets		62	-
Borrowing Costs		839	939
Change in Assets & Liabilities:			
(Increase)/Decrease in Trade & Other Receivables		4,996	(398)
(Increase)/Decrease in Inventories		32	(143)
Increase/(Decrease) in Accrued Income		18,328	-
Increase/(Decrease) in Other Assets		-	(1,058)
Increase/(Decrease) in Trade & Other Payables		5,360	11,124
Increase/(Decrease) in Provisions		480	166
(Decrease)/Increase in Other Liabilities		1,308	-
Net Cash Provided by/(used in) Operating Activities		97,530	74,170

9.3. Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9. OTHER MATTERS (CONTINUED)

\$ '000

9.3. Superannuation (continued)

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBI were:

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer Contributions

Regular Contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9. OTHER MATTERS (CONTINUED)

\$ '000

9.3. Superannuation (continued)

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2018 \$m	2019 \$m
A VBI surplus	\$131.9	\$69.8
A total service liability surplus	\$218.3	\$193.5
A discounted accrued benefits surplus	\$249.1	\$228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018. Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

GLOSSARY OF FINANCIAL TERMS

- 1. Accounts receivable (AR)**
Accounts receivable (AR) definition: The amount of money owed by customers or clients to a business after goods or services have been delivered and/or used.
- 2. Accounting (ACCG)**
Accounting (ACCG) definition: A systematic way of recording and reporting financial transactions for a business or organisation.
- 3. Accounts payable (AP)**
Accounts payable (AP) definition: The amount of money a company owes creditors (suppliers, etc) in return for goods and/or services they have delivered.
- 4. Assets (fixed and current) (FA, CA)**
Assets (fixed and current) definition: **Current assets (CA)** are those that will be converted to cash within one year. Typically, this could be cash, inventory or accounts receivable. **Fixed assets (FA)** are long-term and will likely provide benefits to a company for more than one year, such as a real estate, land or major machinery.
- 5. Asset classes**
Asset class definition: An asset class is a group of securities that behaves similarly in the marketplace. The three main asset classes are equities or stocks, fixed income or bonds, and cash equivalents or money market instruments.
- 6. Balance sheet (BS)**
Balance sheet (BS) definition: A financial report that summarises a company's assets (what it owns), liabilities (what it owes) and owner or shareholder equity at a given time.
- 7. Capital (CAP)**
Capital (CAP) definition: A financial asset or the value of a financial asset, such as cash or goods. Working capital is calculated by taking your current assets subtracted from current liabilities – basically the money
- or assets an organisation can put to work.
- 8. Cash flow (CF)**
Cash flow (CF) definition: The revenue or expense expected to be generated through business activities (sales, manufacturing, etc) over a period of time.
- 9. Certified public accountant (CPA)**
Certified public accountant (CPA) definition: A designation given to an accountant who has passed a standardised CPA exam and met government-mandated work experience and educational requirements to become a CPA.
- 10. Cost of goods sold (COGS)**
Cost of goods sold (COGS) definition: The direct expenses related to producing the goods sold by a business. The formula for calculating this will depend on what is being produced, but as an example this may include the cost of the raw materials (parts) and the amount of employee labour used in production.
- 11. Credit (CR)**
Credit (CR) definition: An accounting entry that may either decrease assets or increase liabilities and equity on the company's balance sheet, depending on the transaction. When using the double-entry accounting method there will be two recorded entries for every transaction: a credit and a debit.
- 12. Debit (DR)**
Debit (DR) definition: An accounting entry where there is either an increase in assets or a decrease in liabilities on a company's balance sheet.
- 13. Diversification**
Diversification definition: The process of allocating or spreading capital investments into varied assets to avoid over-exposure to risk.
- 14. Enrolled agent (EA)**
Enrolled agent (EA) definition: A tax professional who represents taxpayers in matters where they are dealing with the Internal Revenue Service (IRS).
- 15. Expenses (fixed, variable, accrued, operation) (FE, VE, AE, OE)**
Expenses (FE, VE, AE, OE) definition: The fixed, variable, accrued or day-to-day costs that a business may incur through its operations.

 - **Fixed expenses (FE):** payments like rent that will happen in a regularly scheduled cadence.
 - **Variable expenses (VE):** expenses, like labour costs, that may change in a given time period.
 - **Accrued expense (AE):** an incurred expense that hasn't been paid yet.

Operation expenses (OE): business expenditures not directly associated with the production of goods or services – for example, advertising costs, property taxes or insurance expenditures.
- 16. Equity and owner's equity (OE)**
Equity and owner's equity (OE) definition: In the most general sense, equity is assets minus liabilities. An owner's equity is typically explained in terms of the percentage of stock a person has ownership interest in the company. The owners of the stock are known as shareholders.
- 17. Insolvency**
Insolvency definition: A state where an individual or organisation can no longer meet financial obligations with lender(s) when their debts come due.

GLOSSARY OF FINANCIAL TERMS

18. Generally accepted

accounting principles (GAAP)

Generally accepted accounting principles (GAAP) definition:

A set of rules and guidelines developed by the accounting industry for companies to follow when reporting financial data. Following these rules is especially critical for all publicly traded companies.

19. General ledger (GL)

General ledger (GL) definition:

A complete record of the financial transactions over the life of a company.

20. Trial balance

Trial balance definition:

A business document in which all ledgers are compiled into debit and credit columns in order to ensure a company's bookkeeping system is mathematically correct.

21. Liabilities (current and long-term) (CL, LTL)

Liabilities (current and long-term) definition:

A company's debts or financial obligations incurred during business operations. **Current liabilities (CL)** are those debts that are payable within a year, such as a debt to suppliers. **Long-term liabilities (LTL)** are typically payable over a period of time greater than one year. An example of a long-term liability would be a multi-year mortgage for office space.

22. Limited Liability Company (LLC)

Limited Liability Company (LLC) definition:

An LLC is a corporate structure where members cannot be held accountable for the company's debts or liabilities. This can shield business owners from losing their entire life savings if, for example, someone were to sue the company.

23. Net income (NI)

Net income (NI) definition:

A company's total earnings, also called net profit. Net income is calculated by subtracting total expenses from total revenues.

24. Present value (PV)

Present value (PV) definition:

The current value of a future sum of money based on a specific rate of return. Present value helps us understand how receiving \$100 now is worth more than receiving \$100 a year from now, as money in hand now has the ability to be invested at a higher rate of return.

25. Profit and loss statement (P&L)

Profit and loss statement (P&L) definition:

A financial statement that is used to summarise a company's performance and financial position by reviewing revenues, costs and expenses during a specific period of time, such as quarterly or annually.

26. Return on investment (ROI)

Return on investment (ROI) definition:

A measure used to evaluate the financial performance relative to the amount of money that was invested. The ROI is calculated by dividing the net profit by the cost of the investment. The result is often expressed as a percentage.

27. Individual retirement account (IRA, Roth IRA)

Individual retirement account (IRA, Roth IRA) definition:

IRAs are savings vehicles for retirement. A traditional IRA allows individuals to direct pre-tax dollars toward investments that can grow tax-deferred, meaning no capital gains or dividend income is taxed until it is withdrawn, and, in most cases, it's tax deductible. Roth IRAs are not tax-deductible; however, eligible distributions

are tax-free, so as the money grows, it is not subject to taxes upon withdrawals.

28. 401K & Roth 401K

401k & Roth 401k definition:

A 401K is a savings vehicle that allows an employee to defer some of their compensation into an investment-based retirement account. The deferred money is usually not subject to tax until it is withdrawn; however, an employee with a Roth 401K can make contributions after taxes. Additionally, some employers choose to match the contributions made by their employees up to a certain percentage.

29. Subchapter S Corporation (S-CORP)

Subchapter S Corporation (S-CORP) definition:

A form of corporation (that meets specific IRS requirements) and has the benefit of being taxed as a partnership versus being subject to the 'double taxation' of dividends with public companies.

30. Bonds and coupons (B&C)

Bonds and coupons (B&C) definition:

A bond is a form of debt investment and is considered a fixed income security. An investor, whether an individual, company, municipality or government, loans money to an entity with the promise of receiving their money back plus interest. The "coupon" is the annual interest rate paid on a bond.



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