

MELTON CITY COUNCIL

Annual Report



2015-2016

*A Proud Community
Growing Together*

A copy of this Annual Report is available at melton.vic.gov.au

About this Annual Report

Welcome to Melton City Council's 2015/2016 Annual Report

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

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

Our purpose

Vision

A Proud Community Growing Together.

Mission

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

Our values

Continuous improvement

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

Recognition

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

Accountability

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

Fairness

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

Teamwork

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

Our offices

Melton Civic Centre

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

Melton Library and Learning Hub

31 McKenzie Street, Melton
T 03 9747 7200

Caroline Springs Civic Centre and Library

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

PO Box 21 Melton Victoria 3337
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A snapshot of the City of Melton



population **137,865**
(as at 30 June 2016)

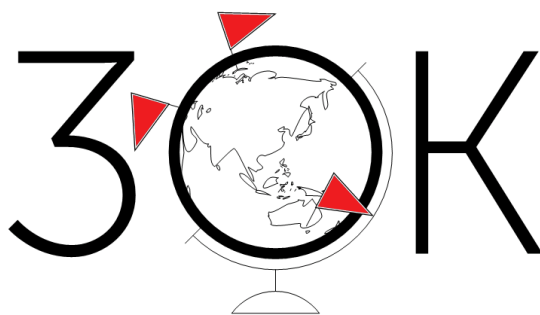


51,631 ratepayers
(as at 30 June 2016)



205.2

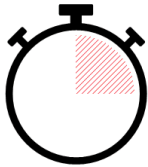
\$205.2 million
annual income for 2015/2016



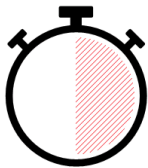
Melton township is:



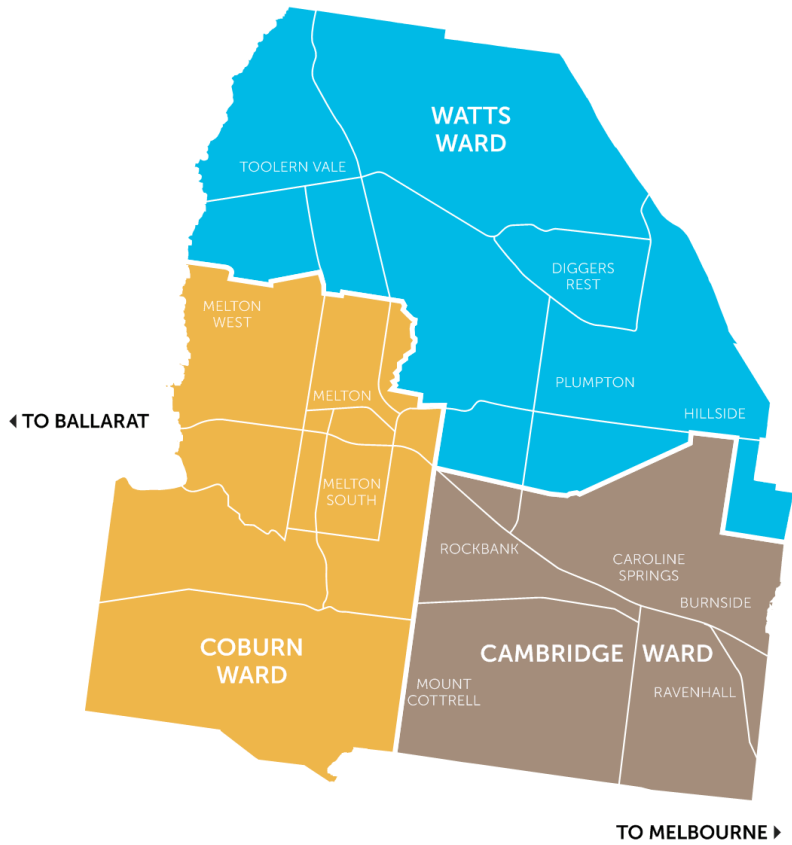
35km to
Melbourne CBD



15 minutes from
Western Ring Road



30 minutes to
Melbourne Airport



52 sporting fields
and reserves managed



139 playspaces
managed



915 hectares of
open space managed

Highlights

In 2015/2016, Melton City Council successfully delivered on 134 actions from 147 outlined in the annual Action Plan. This represented 91 per cent of actions completed.

Here are some highlights from 2015/2016 under each of Melton City Council's four themes outlined in the Council Plan 2013–2017.



THEME ONE

Managing our growth

A clear vision to connect and develop a sustainable City

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

2015/2016 highlights:

- Major community infrastructure projects were completed including the Bridge Road Hockey and Athletics facilities, the Burnside Children's and Community Centre, and the redevelopment of the Resale Centre.
- Energy reduction was achieved in Council's top four buildings – Melton Civic Centre (42%), Melton Waves Leisure Centre (21%), Caroline Springs Library and Civic Centre (16%).
- Roadworks were completed on Mt Cottrell Road, Sinclairs Road and Boundary Road.
- The Digital Business Strategy was adopted at the 2 May 2016 Council meeting.

Fast facts:

- 484 planning applications received
- 2,701 lots created through subdivision approvals
- 776 property inspections carried out
- 2,502 building permits lodged
- Social housing stock increased by 10 (total 514 as at 30 June)



THEME TWO

A well governed and leading organisation

Operating with innovation, transparency, accountability and sustainability

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

2015/2016 highlights:

- Council's continued advocacy work paid off with a record amount of funding received in the 2015-2016 State Budget, which included \$518 million for the Ballarat rail upgrade.
- The revitalisation of Melton's township centre started with the first sod turned on the Pride of Melton project (now Melton Town Centre Redevelopment project). During the year, the redevelopment of the old courthouse into a café and Visitor Information Centre was completed and Stage 2 works to improve connectivity and pedestrian access commenced. The \$13.5 million project was made possible with funding received from the Federal Government's National Stronger Regions Fund (\$5.5 million) and the State Government's Interface Growth Fund (\$3.5 million).
- A new website was launched along with a number of Facebook campaigns for programs such as events and community partnerships.

Fast facts:

- 66 community projects funded
- 2,690 likes on Council's corporate Facebook page as at 30 June 2016
- 37 beautification projects around the City of Melton completed
- 24 governance and management assessments achieved



THEME THREE

Diverse, confident and inclusive communities

A culturally rich, active, safe and connected City

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

2015/2016 highlights:

- The Burnside Children's and Community Centre was completed in time for the first intake to begin the 2016 school year.
- Events were held to celebrate International Women's Day, Harmony Day, White Ribbon Day and Refugee Week.
- The \$2.8 million redevelopment of McKenzie Street Aged Services commenced.
- A four-week program for eight young people with a disability was held in June 2016, providing participants the opportunity to learn photographic skills and exhibit their art around the City.

Fast facts:

- 2,302 births
- 1,852 kindergarten enrolments
- 12,471 attendees at youth programs
- 660,000 loans and downloads of library resources
- 15,500 community facilities bookings



THEME FOUR

Community health and wellbeing

A City of people leading healthy and happy lives

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

2015/2016 highlights:

- The Melton Hockey Club and Melton Little Athletics Club were the first tenants to move into the Bridge Road Sports Precinct on 27 June 2016.
- The Healthy Children Growing Together program reached 500 children and their families; the Active April event attracted 425 attendees.
- Conversations with Parents ran with an average of 28 participants per month.
- Eleven community partnership projects, involving 22 community groups, were undertaken during the year.
- The Western Metropolitan Region Football Facilities Strategy was completed.
- A multi-sport day for girls was held on 31 March 2016 with 70 participants supported by AFL Victoria, Cricket Victoria and Netball Victoria.

Fast facts:

- 265,872 visits to Melton Waves Leisure Centre
- 17,586 attendances at health and wellbeing initiatives
- 19,000 hours of home care provided
- 10,900 hours of respite care provided
- 21,740 meals provided

Challenges and future outlook



Challenges

Council was faced with the following challenges in 2015/2016:

- Managing its growing population
- Advocating for improved public transport, particularly the duplication of the Melton rail line
- Delivering key community infrastructure at the right time
- Revitalising strip shopping centres
- Addressing family violence and community perceptions of safety
- Negotiating, and finalising, a new staff enterprise bargaining agreement
- Managing the transition to rate capping, and budgeting responsibly as a result.



Beyond 2015/2016

Council is looking ahead to 2016/2017 and plans to undertake the following actions:

- Continue to advocate for the electrification of the Melton rail line, improved health services, more schools and road improvements
- Foster community pride through significant streetscape improvements and projects such as the Melton Town Centre Redevelopment project (formerly called Pride of Melton)
- Continue the development of Toolern Regional Park
- Develop precinct structure plans for urban growth areas
- Review the Municipal Strategic Statement and Melton Planning Scheme
- Complete projects identified in the Capital Works Plan
- Undertake service reviews to identify efficiencies and cost saving opportunities.



Events



Melton City Council hosted these events in 2015/2016.

Australia Day celebrations

Volunteers were acknowledged for their work at Council's Australia Day celebration on Monday 26 January. Margaret Behan was named Citizen of the Year, Thomas Woof was chosen as Young Person of the Year, and Woman of the Year was awarded to Leonie Patterson. BusyFeet Melton founder Annette Butterworth received the Access & Inclusion Leader of the Year and the Community Project of the Year went to iCare Special Needs Group, which bring parents and carers of children with special needs together.

Summersault

A crowd of around 35,000 people headed to the heart of Caroline Springs for music, entertainment and food on Saturday 13 February as part of the annual Summersault Festival.

Harmony Day

Harmony Day 2016 was celebrated on Caroline Springs Library lawn on Saturday 19 March. Around 400 people took part in circus workshops, African drumming and Bollywood dance. Kinder gym and face painting were popular with children and many left the event with a temporary henna tattoo.



Women in Business luncheon

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

Djerriwarrh Festival

The 36th Djerriwarrh Festival was held on Saturday 7 November, attracting around 35,000 people to the Melton Recreation Reserve. The 2015 annual event included market stalls, expos, an international food bazaar and continuous main stage entertainment headlined by Australian rock band, Baby Animals.

Carols By Candlelight

More than 5,000 people gathered at Hannah Watts Park for Carols by Candlelight on Saturday 12 December.

Anzac Day

Council provided white commemorative crosses made by the Men's Shed to the public in exchange for a gold coin donation collected for the Partners of Veterans Association. The crosses were placed in a specially marked area on the Melton Civic Centre lawn in High Street Melton to commemorate Anzac Day on 25 April 2016.

Business Excellence Awards

The 10th annual City of Melton Business Excellence Awards night was held on Friday 17 June at Tabcorp Park, attracting 290 people.

Mayor's message

CR KATHY MAJDLIK
MAYOR OF THE CITY OF MELTON



It is a pleasure to present the Melton City Council Annual Report for 2015/2016.

We are extremely proud of the achievements and positive outcomes we have delivered to our residents this past year.

In 2015/2016, we saw Council celebrate the completion of a number of major community infrastructure projects, including the spectacular Bridge Road Hockey and Athletics facilities, the Burnside Children's and Community Centre, and the redevelopment of the Resale Centre at the Melton Recycling Facility.

Opening these facilities was a highlight for the municipality, as was the commencement of works on Stage 2 of the Melton Town Centre Redevelopment project, the Bridge Road Regional Playspace and the relaunch of CS Gallery.

We also had the pleasure of hosting a variety of events that represented the unique interests of our diverse community.

Hundreds of residents and visitors participated in our Refugee and Harmony Day celebrations. Our Children's Week activities were complemented by the opening of the first official pop-up park in the Melton town centre. The small business festival and our annual City of Melton Business Excellence Awards ceremony proved to be big hits with the business community.

Council hosted an outstanding Carols by Candlelight event attended by hundreds of families from across the municipality, and collectively welcomed more than 60,000 visitors to our vibrant Summersault and Djerriwarrh festivals.

Many Council projects were recognised for their innovation and excellence throughout the year, winning a number of highly regarded national and international industry awards. Among these awards were nine Council and community projects that were named as finalists in the 2016 Keep Victoria Beautiful Sustainable Cities Awards.

Many Council projects were recognised for their innovation and excellence throughout the year, winning a number of highly regarded national and international industry awards.

The Melton LEADS program was also recognised at the Victorian Local Government Awards, winning the Climate Award; and rather impressively, the City of Melton was awarded the prestigious UNESCO Learning City Award at UNESCO's 2nd International Conference on Learning Cities last September.

We launched a number of contemporary communications initiatives including Council's highly successful corporate Facebook page, and the revamped digital version of our ever-popular *Moving Ahead* newsletter.

We also built on our community engagement program by holding a number of engagement sessions in Toolern Vale, Diggers Rest, Eynesbury and Rockbank. These expos were an opportunity for residents to have their say on a number of key strategic directions, including transport, multiculturalism,

arts and culture, youth, safety, reconciliation, learning and more.

My fellow Councillors and I would like to take this opportunity to thank residents and business owners for their support and feedback in developing our community to what it is today. We would also like to thank the executive team and staff for delivering quality services for the betterment of our community.

I am confident that the 2016/2017 financial year will bring a number of new, outstanding achievements for our community and solidify the City of Melton as one of the most desirable places to live, work and play.

Chief Executive Officer's message

KELVIN TORI

CHIEF EXECUTIVE OFFICER



On behalf of Melton City Council, I am pleased to present this Annual Report, which outlines the organisation's performance throughout 2015/2016.

Once again, we have achieved excellent financial results throughout the year, and as promised, have delivered several major infrastructure projects for the community. Among these are the Bridge Road Hockey and Athletics facilities, the Burnside Children's and Community Centre, and a major redevelopment of the Melton Resale Centre. These key projects continue to demonstrate Council's commitment to the early delivery of quality infrastructure that meets the needs of our diverse and unique community.

Organisationally, Council continued to expand its service delivery in an efficient and planned manner through a strategic approach to understanding community needs. Growth remained a major challenge for Council; however Councillors and staff were united in their commitment to ensuring that the Melton community was a proud community growing together.

Council continued to work with the Metropolitan Planning Authority to develop Precinct Structure Plans (PSP) across the identified Urban Growth zone. In 2015/2016, the State Government's planning for growth continued with the approval of the Paynes Road PSP, with the Rockbank PSP nearing completion. The Mt Atkinson, Tarneit Plains, Kororoit and Plumpton PSPs were all placed on public exhibition.

We have experienced another year of improved sales volume with the Atherstone Joint Venture project in Melton South. Pleasingly, 170 sales and 186 settlements took place this financial year, delivering a net cash return of \$4,163,851 to Council. The highest segment of purchasers at Atherstone are families (29.6%) followed closely by couples (27.96%) and singles (18.25%).

Melton remains the most affordable market in Melbourne and offers families larger than average lot sizes. The Melton market is fuelled by strong population growth due to migration (interstate and overseas), local birth rates (still steady at 42 births per week), as well as the value of the new home offer in this location.

Pleasingly, the City of Melton also received a record amount of funding in the State Government budget, with the allocation of \$518 million for the Ballarat rail upgrade. This will include the duplication of the rail line between Deer Park West and Melton, upgrade of stations at Bacchus Marsh, Ballan and Rockbank, and vital track improvements. An additional \$2.4 million was allocated for 270 car park places at Melton Station, \$229 million for additional

VLocity regional trains and funding for a business case for electrification of the Ballarat rail line.

The State Government also allocated \$5.4 million for modernisation of the Melton Specialist School, and \$12 million for construction of Stage 1 of a new secondary school in Taylors Hill West. Education commitments also included funding for master planning of school improvement works for Melton West Primary and Melton Secondary Schools and \$102 million for land acquisition for school sites in growth areas, expected to include sites within the City of Melton.

Melton was also at the fore in announcements of State Government funding under the newly established Interface Growth Fund. Council received \$3.5 million towards the Melton Town Centre Redevelopment project; \$1.8 million for the redevelopment of the aged services centre in McKenzie Street, Melton; \$750,000 for the Regional Play Space on Bridge Road; and \$271,000 for the redevelopment of the Fraser Street Reserve, Melton South. In addition, Council also received a \$5.5 million Federal Government grant under the National Stronger Regions Fund towards the Melton Town Centre Redevelopment project.

These outstanding announcements and funding allocations were fitting rewards for many years of consistent advocacy and lobbying on the part of Council officers, and Councillors, on behalf of our community, and were especially pleasing outcomes for all.

The Victorian Electoral Commission also completed a review of electoral representation within the City of Melton. Factors considered by the VEC included diversity of population, Councillor workload and the profiles of similar communities. As a result, it was determined that the number of Councillors within the City of Melton should increase from seven to nine at the next local government election, scheduled for 22 October 2016. With relatively minor adjustments to ward boundaries, there will now be four Councillors in Coburn Ward, three in Cambridge Ward, and two in Watts Ward.

In closing, I extend my sincere appreciation to all staff and Councillors for their commitment to the City of Melton, and their significant contribution to enhancing the lives of residents within the community.

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

Financial summary



Melton City Council's equity increased by \$406 million in 2015/2016.

At the end of the financial year, Council's net worth to the community was \$1,771 million.

This was mainly due to \$299 million of infrastructure assets revaluations and developer contributions of \$79 million.

Operating position

Council achieved an operating surplus of \$107.1 million for the 2015/2016 reporting period. This is \$55.5 million higher than the previous year.

The result was predominantly driven by developer contributions and Council's identification of previously unrecognised assets.

The actual surplus of \$107 million is \$24 million higher than budgeted, resulting from \$25.7 million higher revenue with savings of \$1.4 million combined.

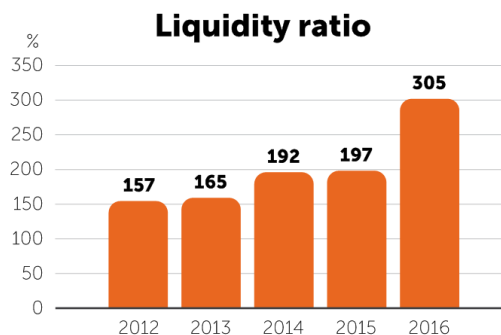
Liquidity position

Council's cash position at the end of the year increased by \$29.8 million to \$77.5 million.

This was mainly due to carry forward of capital works projects, increased developer contributed cash and land sales.

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

For 2015/2016 this measure was 305 per cent. A ratio higher than 100 per cent means there is more cash and liquid assets than short-term liabilities.



Financial summary

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

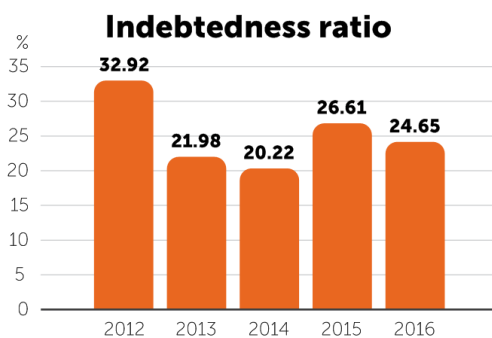
In 2015/2016, Council spent \$5.5 million in infrastructure renewal during the reporting period.

At the end of the financial year, Council had \$29 million in outstanding borrowings.

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

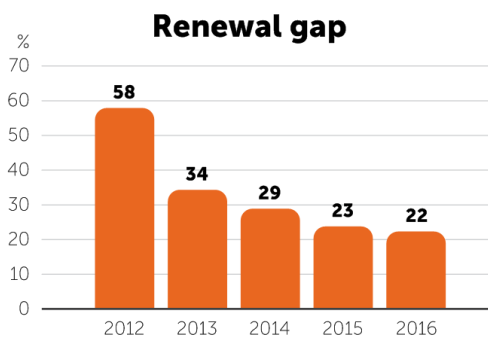
For 2015/2016 the indebtedness ratio is under 24.65 per cent.

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



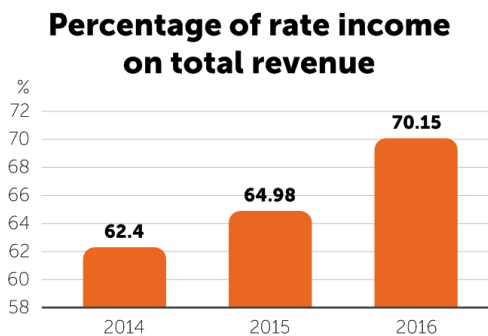
Asset renewal ratio

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



Stability

Council's revenue stream includes rates revenue, grants and contributions, fees, fines and charges. Rates form a significant part of the Council's revenue stream. Council is focused on maximising income from government grants and contributions in its attempt to reduce the dependence on rates revenue.



Description of operations



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

Council's broad range of community services and infrastructure support the wellbeing and prosperity of its community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in the 2013-2017 Council Plan, and the 2014-2017 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 and Australian legislation.

Economic factors

The rate of growth in Melton continued to be relatively low in 2015/2016 compared to the past decade, however showed improvement.

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

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

The State Government imposed a rate cap on all Victorian councils of 2.5 per cent for the 2016/17 year. Melton City Council did not seek a variation to this cap.

Major capital works

During 2015/2016, major capital works included the following:

Burnside Children's and Community Centre

Council officially opened the Burnside Children's and Community Centre on Friday 8 April. The centre commenced operation in February 2016 and provides three and four year old kindergarten, occasional care, maternal and child health, parenting groups, early childhood intervention services, and playgroups. Council contributed \$2.88 million to the project and was successful in obtaining \$1.6 million in State Government funding.

Bridge Road Hockey and Athletics facilities

The Bridge Road Hockey and Athletics facilities located in Melton South was officially opened on Monday 27 June 2016.

The cornerstone of the development is the sports precinct built to competition standards. The precinct replaces Council's old grass athletics facility in Melton South and includes a synthetic athletics track and field, hockey pitches, a multipurpose competition venue with training area and a new community pavilion to service these facilities. Sports and Recreation Victoria contributed \$1.3 million towards the completion of these facilities.

Melton Town Centre Redevelopment

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

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

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

The second stage of the Melton Town Centre Redevelopment works commenced in 2015/16. Focused on Palmerston Street between High Street and McKenzie Street, these works consist



of improving pedestrian connections, the reconfiguration of on-street parking, public lighting, additional green spaces, upgrade of the amphitheatre, new outdoor decking area for the courthouse, new public toilets, additional public seating and way-find signage.

Council received \$5.5 million from the Federal Government through the National Stronger Regions Fund and \$3.5 million from the State Government through the Interface Growth Fund for this project.

Ageing Well Precinct

The \$2.8 million redevelopment of 5 McKenzie Street will see new additions to this Council owned community building, which incorporates 7 McKenzie Street and 10 and 12 Smith Street in Melton.

The centre assists older adults, people with disabilities and their carers to enjoy happy, healthy and fulfilled lives and is part of Melton's Ageing Well Precinct and Council's strategic approach to providing lifelong support to residents.

As part of the redevelopment, construction started during the year on a new stand-alone building on vacant land adjacent to the existing facility.

Council received \$1.8 million from the State Government's Interface Growth Fund to bring the construction of this important project forward.

Major changes

A number of changes occurred in 2015/2016, to restructure the organisation in line with Council's goals that will deliver more operational efficiencies.

An organisation-wide restructure to come in effect 1 July created a new risk and performance unit, which brings together OH&S, injury management, corporate planning and policy, and emergency management functions.

The Economic Development and Tourism team will join the Community Engagement team and will be renamed Engagement and Advocacy.

Mayor and Councillor support, and governance, moved from Corporate Services to Legal Services.

There were also restructures in Community Care and Inclusion, which was renamed Community Care, and restructured to better align to Aged Care Reform, the National Disability Insurance Scheme funding and changing needs for Maternal Child Health.

Information Technology, Housing and Capital Projects were also restructured to better meet the organisation and the community's needs.

The restructure resulted in two redundancies with most staff redeployed. The new structure came into effect on 1 July 2016.

Major achievements

The 2015/2016 financial year was a successful year for Melton City Council in attracting government funding.

The Melton Town Centre Redevelopment project (originally called Pride of Melton) received \$5.5 million through the National Stronger Regions Fund. The Interface Growth Fund provided \$3.5 million for the Melton Town Centre project, \$750,000 for the Regional Playspace in Bridge Road, \$1.8 million for Aged Services Centre redevelopment and \$271,000 for the Fraser Street Reserve upgrade.

Significant strategic work was also completed, including the Integrated Transport Strategy, Housing Character Study and Design Guidelines, Industrial Design Guidelines, and the Significant Landscape Features Study.

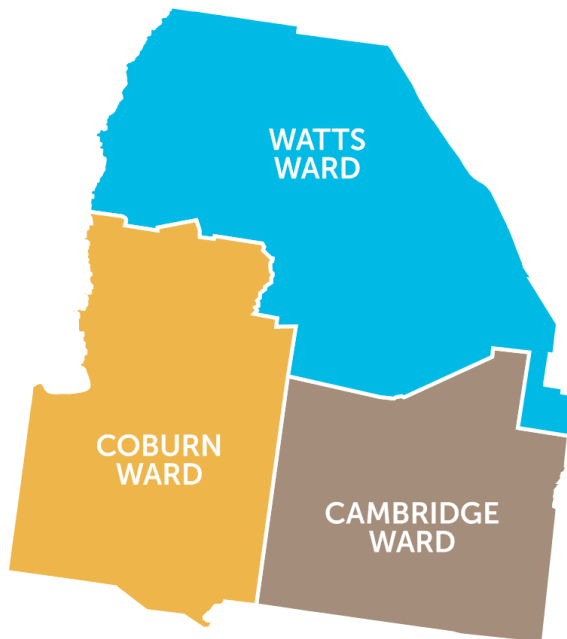
The Minister approved the Paynes Road Precinct Structure Plan (PSP), and the Kororoit and Plumpton PSPs were formally exhibited and will proceed to panel hearings.

Major capital works completed for the year included Burnside Community and Children's Centre, Atherstone Athletics and Hockey Facilities, the expansion of the Resale Centre and Diggers Rest Bowls Club green replacements.

Roadworks were completed on Mt Cottrell Road, Sinclairs Road and Boundary Road.

City profile

Melton City Council is divided into three wards



Wurundjeri people
are the original custodians

6,800
registered businesses

Major employment sectors:
retail, education and training, construction, health care, social assistance and public administration and safety

The top 5 countries by birthplace

(other than Australia, which is the highest)

United Kingdom



India



Philippines



New Zealand



Malta



The top 5 languages spoken at home

(other than English, which is the highest)

Filipino

mabuhay

Maltese

merħba

Macedonian

добредојден

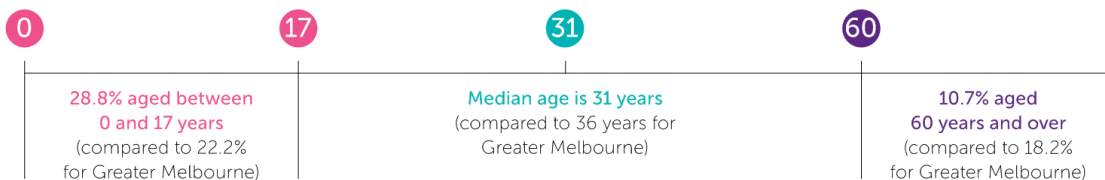
Vietnamese

chào mừ'ng

Arabic

أهلا بك

Age groups:



Councillors

COBURN WARD



CR SOPHIE RAMSEY
FIRST ELECTED OCTOBER 2001
E: sophie.ramsey@melton.vic.gov.au
M: 0412 584 067



CR BOB TURNER
FIRST ELECTED NOVEMBER 2008
E: bob.turner@melton.vic.gov.au
M: 0412 584 224



CR MYLES BENTLEY
FIRST ELECTED APRIL 2015
E: myles.bentley@melton.vic.gov.au
M: 0407 015 022

CAMBRIDGE WARD



MAYOR CR KATHY MAJDLIK
FIRST ELECTED NOVEMBER 2008
E: kathy.majdlik@melton.vic.gov.au
M: 0412 584 058



CR NOLA DUNN
FIRST ELECTED OCTOBER 2012
E: nola.dunn@melton.vic.gov.au
M: 0408 794 232

WATTS WARD



CR LARA CARLI
FIRST ELECTED OCTOBER 2012
E: lara.carli@melton.vic.gov.au
M: 0409 951 020

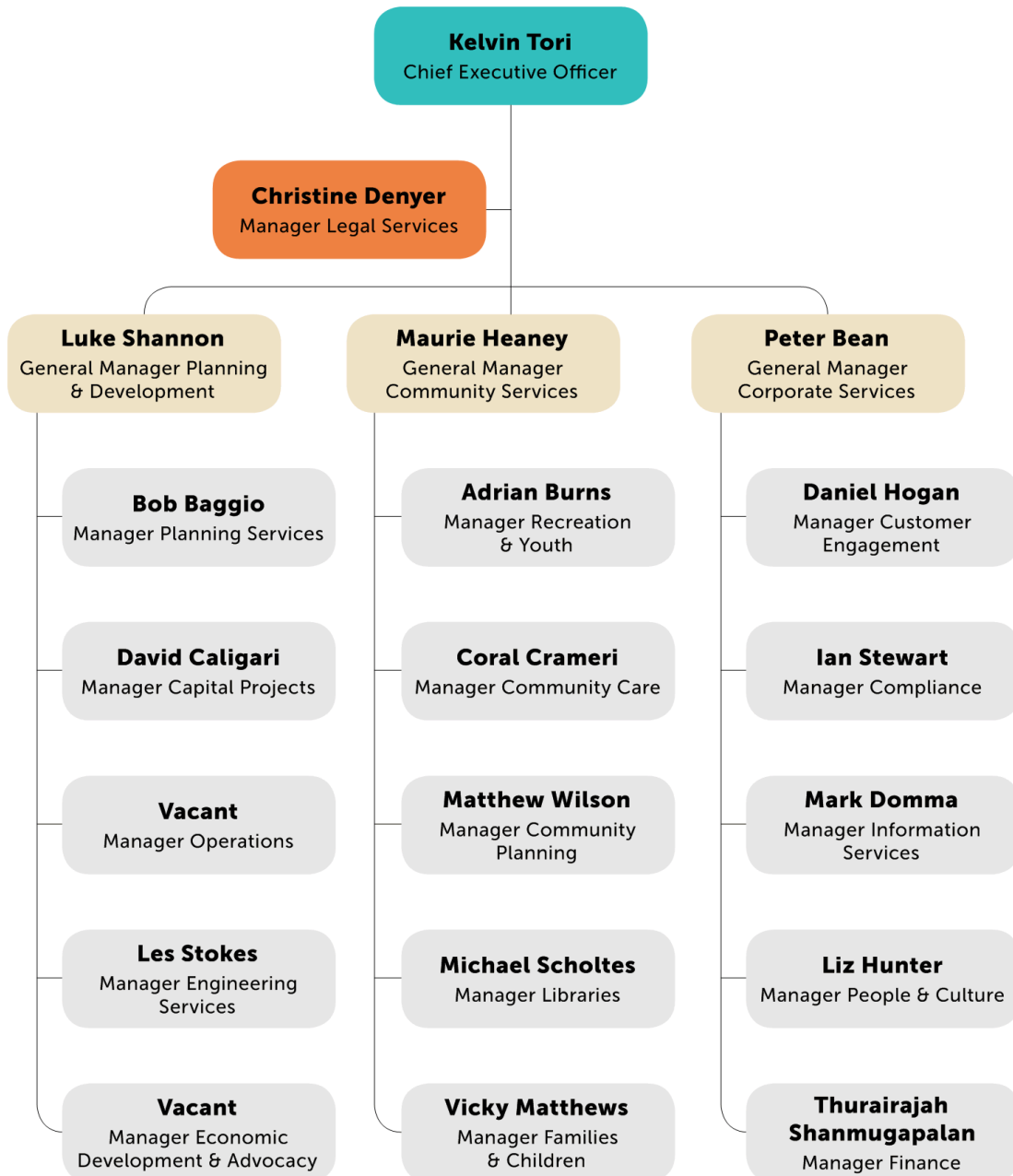


**DEPUTY MAYOR
CR RENATA CUGLIARI**
FIRST ELECTED NOVEMBER 2004
E: renata.cugliari@melton.vic.gov.au
M: 0438 057 807

Our People



Organisational structure



Executive

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



KELVIN TORI

CHIEF EXECUTIVE OFFICER

Contract period: May 2016–May 2020

Remuneration: \$369,000, includes a motor vehicle and employer's superannuation

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

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

Kelvin delivers strategic guidance for the management and operations of Council, and is responsible for providing strong leadership to the organisation. The CEO also directly manages the Legal Services area.

He has more than 30 years' experience in local government and holds a Bachelor of Economics and Politics.



MAURIE HEANEY

GENERAL MANAGER
COMMUNITY SERVICES

Maurie Heaney has 25 years' experience in local government. He manages infrastructure provision and community service delivery for Melton City Council.

His portfolio covers a number of significant areas including Community Care and Inclusion, Family and Children's Services, Community Planning, Libraries and Recreation and Youth.



PETER BEAN

GENERAL MANAGER
CORPORATE SERVICES

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



LUKE SHANNON

GENERAL MANAGER PLANNING
& DEVELOPMENT SERVICES

Luke Shannon holds a Bachelor of Applied Science (Environmental Planning) and a Graduate Diploma in Cultural Heritage.

He has worked in local government for 25 years. His portfolio at Melton City Council includes Economic Development and Advocacy, Capital Projects, Engineering Services, Operations, Planning Services, and City Design and Strategy.

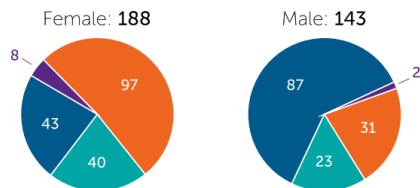
Our workforce

Council staff

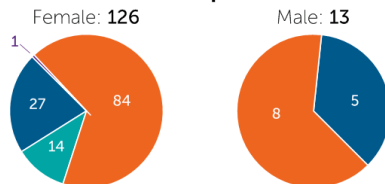
(FTE: Full Time Equivalent)

● CEO FTE ● Community FTE ● Corporate FTE ● Planning FTE

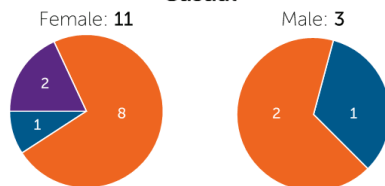
Permanent full time



Permanent part time



Casual



Employment by remuneration classification

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL FTE
Band 1	18	4	22
Band 2	30	9	39
Band 3	20	6	26
Band 4	83	14	97
Band 5	58	27	85
Band 6	52	43	95
Band 7	23	29	52
Band 8	7	13	20
Band N/A	34	14	48
Total	325	159	484

Equal Employment Opportunity Program

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

A Prevention of Bullying and Harassment training program was trialed, with the intention of being rolled out to all staff in 2016/17.

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

Enterprise Bargaining Agreement

The Enterprise Bargaining Agreement (EBA) negotiations commenced in March and were nearing completion in June 2016. Fortnightly meetings were held between Council, the Australian Services Union, the Australian Nursing and Midwifery Foundation and Professionals Australia along with employee representatives. Staff will vote on the agreed draft EBA on 22 August 2016. If the vote is in favour, the Agreement will need to be ratified with the Fair Work Commission to come into effect.

Our workforce

Professional development

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

The Corporate Training Framework initiatives included induction, systems, professional development, and Microsoft Office. A total of 107 workshops were facilitated across 40 development modules.

The Leadership Framework incorporated the Melton City Council Leadership Experience, Core Leadership Capabilities, Risk Management/Occupational Health and Safety, and Recruitment and Selection programs. Staff attended 26 workshops across 12 development modules.

Two iterations of the Melton City Council Mentoring Program were undertaken in 2015/2016. A total of 46 staff participated, which saw a combined total of 23 mentoring relationships established.

During 2015/2016 a new Emerging Leader Portfolio was introduced comprising the Elevate Program and Emerging Leader Challenge. Both programs were successfully facilitated with nine emerging leaders participating in the Elevate Program and six emerging leaders representing Council in the Emerging Leader Challenge.

Prevention of violence against women

Multiple initiatives were delivered through the Preventing Violence Together (PVT) Western Region Action Plan, including:

- Representation on the PVT Implementation Committee and Executive Governance Group
- Involvement in the PVT 16 Days of Activism campaign
- More than 100 responses to the annual PVT Gender Equity Staff Survey
- Involvement in Gender Equity in Sports Clubs Practice Group including two funding submissions for regional initiatives through Sport and Recreation Victoria and the Municipal Association of Victoria (MAV)
- Involvement in Action for Equity Sexual and Reproductive Health initiative

Other Preventing Violence Against Women (PVAW) outcomes delivered in 2015/2016 included:

- Submission in response to the Gender Equality Have Your Say consultation paper to inform the Victorian Government's Gender Equality Strategy
- Council representation at quarterly MAV PVAW Network
- Bi-monthly meetings of Melton Family Violence Network (including presentation on primary prevention)

- Regular meetings of Council's internal White Ribbon Action Team
- Implementation of internal information sessions in lead up to White Ribbon Day (led by White Ribbon Action Team)
- Coffee Cup Campaign delivered in 13 cafés involving distribution of specially designed 'Melton Says No to Violence Against Women' cups
- White Ribbon Day community and stakeholder breakfast and involvement in White Ribbon Day march
- Council and community events for White Ribbon Day, Neighbourhood House Week and Refugee Week
- Round two of 'City Melton Women Making It Happen' poster campaign for International Women's Day
- Support for Melton Women Making It Happen Group – convened following poster campaign
- Implementation of Walk With Her community walk in Caroline Springs in partnership with Djerrivarrh Health Services (150 participants)
- Council staff attended the VicHealth PVAW Short Course and forum led by Our Watch
- Delivery of Gender Equality Workshop for Council staff with support from White Ribbon Action Team (40 participants)
- Presentation on PVAW at CALD Advisory Committee Meeting
- PVAW primary prevention messages were promoted through media articles and Council's social media platforms
- Support and advice was provided to key stakeholders and distribution of Help Cards at Council facilities and local shopping centres.

Health and safety

Council continued to improve and streamline its approach to Occupational Health and Safety (OH&S) by automating paper-based systems, and reducing the red tape and compliance burden on employees.

OH&S performance:

- 2015/2016 Lost Time Injuries (LTI): 12
- 2015/2016 Lost Days: 413
- 2015/2016 Lost Time Injury Frequency Rate: 13.19

(LTI/total hours worked x 1,000,000)

Council took a major step forward in Workplace Health and Wellbeing. Driven by a new strategy and action plan, Council aims to create a culture that supports and promotes healthier lifestyle choices for its employees over the next two years. The action plan addresses physical activity, healthy eating, mental health and wellbeing, smoking and alcohol.

Volunteers

Melton City Council thanks the 1,295 people who volunteered their time, skills and expertise to assist in Council programs, events and festivals in 2015/2016.

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	5	Ambassadors delivered Council's Ageing Well exercise programs. Programs included Tai Chi for Arthritis and Seniors Walking Group. The Nordic Walking Group was held in Melton, Melton South and Taylors Hill.
Carers Group	1	Volunteers assisted carers by encouraging social and peer support, and helped at outings or special events.
Events	82	Volunteers worked at Council events and festivals helping out with car parking, marshalling, providing information to attendees and food service.
Environment	1,067	Volunteers participated in activities to improve the City of Melton's land and waterways including Clean Up Australia Day, Friends of Toolern Creek, Friends of the Melton Botanic Garden, Toolern Vale Landcare Group, Eynesbury Bird Enthusiasts Group, Pinkerton Landcare and Environment Group, Utsav Malayalee Samaj, Melton Environment Group, Parwan Landcare, Dingo Discovery Sanctuary, Edible Harvest Out West, CS Animal Welfare Network, and Melton Sustainable Living Group.
Food Services	4	Volunteers assisted with general duties in the kitchen and dining rooms for Council's meals on wheels service, centre-based meals program and Planned Activity Groups. They also hosted the Chat and Chew program.
Men's Shed	23	Volunteers provided around 475 hours of support to Men's Shed classes, projects and groups each month across both Melton and Taylors Hill Men's Sheds.
Neighbourhood House Program	23	Neighbourhood House volunteers planned and supported the operation of weekly children's programs and walking groups, and offered support to neighbours at community events and in administration duties.
Social Support	15	Volunteers assisted Social Support staff to deliver programs and activities.
Libraries	24	Library volunteers assisted with home service deliveries, family history research, the digitalisation project, chess club and English conversation classes.
Volunteer Transport	10	Volunteers provided door-to-door transport for people in need to get to medical or other appointments.
Youth	41	Youth volunteers took part in 41 youth led event programs that engaged young people.

Our performance

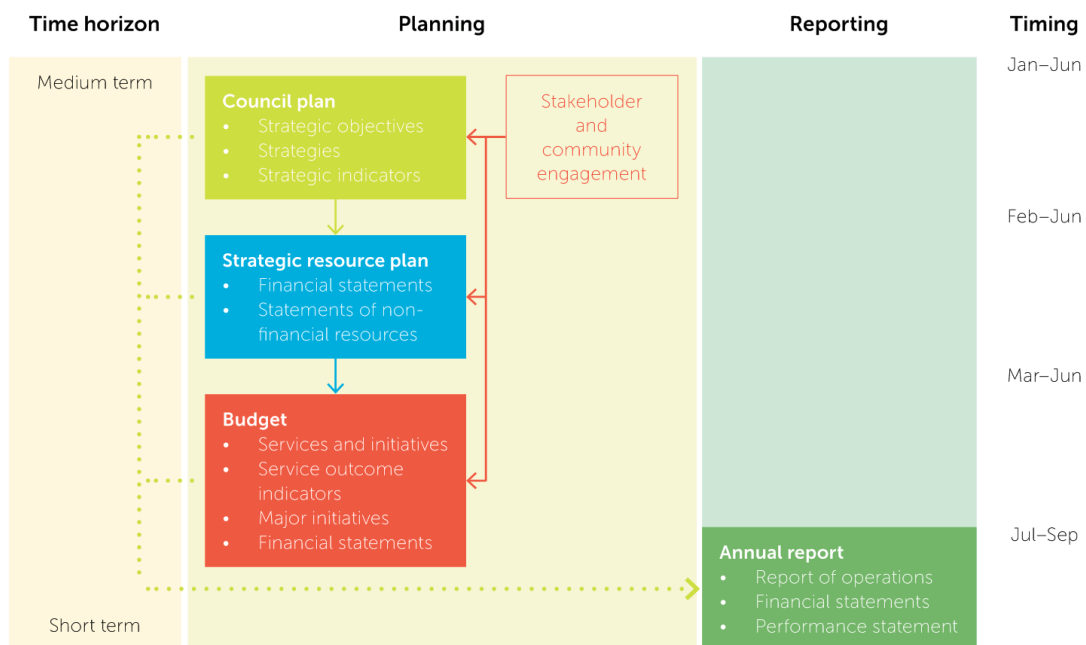


Planning and accountability framework

The Victorian Local Government Act requires councils to prepare:

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

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



Melton City Council Plan 2013-2017

The Council Plan guides all Council activities over the four-year term of the elected council. Key elements of the Council 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 plan.
Strategic Performance Indicators	What is measured to assess performance against council plan strategic objectives.

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

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

Performance

Council's performance for the 2015/2016 year has been reported against each Council Plan theme, desired outcome and objective to demonstrate how council is performing in achieving the 2013-2017 Council Plan.

Performance has been measured as follows:

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

Council Annual Action Plan

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

The *2015-2016 Council Annual Action Plan End of Year Performance Report* was presented to Council at the 22 September 2016 ordinary meeting. The report provides commentary on achievements, progress and explanations for delays and postponements. Of the 147 actions documented in the plan as at 30 June 2016, 134 actions were completed, 12 actions were behind schedule, and one action was postponed.

A copy of this report is available at melton.vic.gov.au/annualreport

Managing our growth



THEME 1

Managing our growth

STRATEGIC OUTCOME:

A clear vision to connect and develop a sustainable City

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

1.1 Strategically plan for a well designed and built City

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	COMMENTS
Percentage of Council owned or managed heritage sites preserved or adapted for use <i>Source: Asset Management System</i>	100%	100%	
Increase the number of social and public housing opportunities in the City <i>Source: Rates Authority System & local housing associations</i>	1.96%	1.98%	Social housing stock has risen by 10 over the past 12 months to 514.
Community satisfaction with planning for growing population <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	N/A	57%	

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

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

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

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

1.4 Value and protect the natural environment for future generations

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	COMMENTS
Reduction in the City's energy consumption in street light emissions	20%	71%	Data was sourced from the assessment undertaken by Ironbark Sustainability and based on power bills and the number and type of lights replaced. The 71% is based on an initial baseline of 1,606,222 kWh per annum prior the replacement program to a new energy use rate of 461,846 kWh per annum.
Energy reduction in Council's top four buildings – Melton Civic Centre, Melton Waves, Caroline Springs Leisure Centre, Caroline Springs Library and Civic Centre	-3%	Melton Civic Centre (42%), Melton Waves (12%), Caroline Springs Leisure Centre (21%), Caroline Springs Library & Civic Centre (16%)	Data was sourced from power bills and assessment by Ironbark Sustainability which was required for a final report to the Australian Government to acquit the Community Energy Efficiency Program funding. The Australian Government approved the final report in May 2016. These percentage figures relate to the reduction in megajoules per annum.
Percentage of waste diverted from landfill	44.4%	43.4%	
Volunteer rates in local environment groups	566	1,041	This information is provided by the various community environment groups, which are administered by community members. Melton City Council officers are not responsible for the accuracy of the data collected.
Percentage of eligible landowners who retain the Environment Enhancement Protection rebate	96%	93%	

THEME 1

Managing our growth



We're so excited because this will absolutely mean huge growth for athletics in Melton.

AIMEE ORR

MELTON LITTLE ATHLETICS CLUB SECRETARY
 ON THE OPENING OF THE BRIDGE ROAD RECREATION RESERVE HOCKEY
 AND ATHLETICS FACILITIES

1.5 Support a transport system that connects and moves our community

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	COMMENTS
Community satisfaction with access to public transport <i>Source: Metropolis Melton Household Survey</i>	6.91	6.74	Index score out of 10
Percentage of residents who reside within 400 metres of a bus stop <i>Source: Geographic Information System/ Australian Bureau of Statistics population data</i>	77%	69%	

The following statement reviews the progress of Council in relation to initiatives identified in the 2015-2016 Budget for the year.

INITIATIVES	PROGRESS	COMMENTS
1. Develop an Urban Design Strategy (2 year project)	Delayed	The start of this project has been delayed due to resource issues. The time frame for the project will be revised following commencement of the City Design Coordinator.
2. Prepare the Melton South Structure Plan (2 year project)	Delayed	The scope of works and consultation strategy have been developed, and preparation of the tender documents has commenced. Year one of the project is on track in start-up stage.
3. Develop Engineering Guidelines for Industrial Developments	Completed	Draft engineering guidelines for industrial developments were completed in June 2016.
4. Develop a Signage Strategy to improve accessibility within the municipality (2 year project)	Delayed	Due to a number of successful State and Federal Government funding applications, resources have been temporarily redirected to the funded projects causing the Signage Strategy to be delayed.
5. Develop a Melton Municipal Street Tree Strategy (2 year project)	Completed	Work has commenced on the Street Tree Strategy. An internal scoping and discussion document has been prepared and has informed the preparation of the Project Management Plan, Consultation and Communications Strategy and tender documentation for parts of the work that will be done.
6. Deliver the Digital Economy Strategy	Completed	The Digital Business Strategy was adopted at the 2 May 2016 Council meeting.

MAJOR INITIATIVES	PROGRESS	COMMENTS
7. Commence Abbey Road Bridge construction to provide a vital link between Melton South and the Toolern Growth area	Completed	Works began on 18 July 2016 in accordance with the project time frame.
8. Deliver expanded Sealed Road Resurfacing and Rehabilitation Program	Completed	The program delivered 14.2 kilometres of resurfaced and rehabilitated roads.

The following statement provides information in relation to the services funded in the 2015-2016 Budget and the people or sections of the community who provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL BUDGET VARIANCE \$000
Capital Projects	Responsible for the planning, design and construction of a complex suite of new civil and community infrastructure within an operational framework delivering a works program via project management processes and controls. The unit's primary responsibility is to achieve the timely programming and roll-out of Council's capital projects.	\$26,585 -\$12,528 \$14,057
Economic Development and Advocacy	Undertakes a range of initiatives and projects to enhance the economic growth of the City as well as advocate to various levels of Government on key advocacy priorities.	\$1,015 -\$1,095 -\$80
Engineering Services	Provides design for capital works, traffic management planning, built assets management, civil and landscape infrastructure planning, and geographic information systems.	\$5,153 -\$3,157 \$1,996
City Design, Strategy and Environment	Provides strategic planning and administration of the Melton Planning Scheme, environmental planning and management, environmental education programs, urban design and landscape architecture for assessment of planning permits, design and delivery of Council assets and facilities.	\$3,203 -\$2,350 \$853
Planning	Assess planning and subdivision proposals under the relevant planning and subdivision legislation. Services provided include assessing 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.	\$17,928 -\$7,953 \$9,975

THEME 1

Managing our growth

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

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
STATUTORY PLANNING			
Timeliness <i>Time taken to decide planning applications.</i> (The median number of days between receipt of a planning application and a decision on the application)	79	63	Improved results over the last year are due to the introduction of a system to identify incomplete applications prior to their registration.
Service standard <i>Planning applications decided within 60 days</i> (Number of planning application decisions made within 60 days/number of planning application decisions made) x 100	65%	76.97%	Improved results over the last year are due to the introduction of a system to identify incomplete applications prior to their registration.
Service cost <i>Cost of statutory planning service</i> (Direct cost of the statutory planning service/ number of planning applications received)	\$3,296.83	\$3,228.56	
Decision-making <i>Council planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/number of VCAT decisions in relation to planning applications) x 100	50%	50%	

DID YOU KNOW?

14.2km of roads in the City of Melton were resurfaced in 2015/2016.

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
ROADS			
Satisfaction of use <i>Sealed local road requests</i> (Number of sealed local road requests/ kilometres of sealed local roads) x 100 <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	15.49	22.45	Council's sealed road network increased by approximately 40km during the 2015/2016 financial year, and traffic volumes increased with population growth, both of which could have resulted in an increase in requests.
Condition <i>Sealed local roads below the intervention level</i> (Number of kilometres of sealed local roads below the renewal intervention level set by Council/kilometres of sealed local roads) x 100	100%	98.69%	
Service cost <i>Cost of sealed local road reconstruction</i> (Direct cost of sealed local road reconstruction/square metres of sealed local roads reconstructed)	\$79.46	\$142.40	The sealed local road reconstruction program over the last financial year included more extensive pavement renewal projects at a higher unit cost, in comparison to the bias towards minor pavement rehabilitations in the previous year.
Service cost <i>Cost of sealed local road resealing.</i> (Direct cost of sealed local road resealing/ square metres of sealed local roads resealed)	\$18.60	\$18.70	
Satisfaction <i>Satisfaction with sealed local roads</i> (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads) <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	62	64	



**A well governed
and leading
organisation**

THEME 2

A well governed and leading organisation

STRATEGIC OUTCOME:

Operating with innovation, transparency, accountability and sustainability

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

2.1 Build community trust through socially responsible governance for long-term sustainability

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Community satisfaction that decisions are made in the best interest of the community <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	60	56	Index score out of 100
Working Capital Ratio	1:1.97	1:1.91	
Long Term Obligations Ratio	19.7%	30.2%	
Debt Repayments Ratio	14.6%	9.3%	
Percentage of Council asset base outside of intervention levels	0.8%	0.71%	Roads only. No data for other asset classes. Condition surveys are conducted on a three-yearly cycle in accordance with the Australian Accounting Standard and the International Infrastructure Management Manual.

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

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

2.3 Facilitate community engagement in planning and decision-making

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Community satisfaction with consultation and engagement <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	59	54	Index score out of 100
Community satisfaction with informing the community <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	N/A	59	Index score out of 100 Up four points from the last time it was tested in 2013.

THEME 2

A well governed and leading organisation



Improved rail services means more people will be inclined to use public transport, thus improving traffic on the roads for staff who are travelling to clients and making deliveries.

LARA JENNINGS
 BUSINESS OWNER

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

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

2.5 Advocate in the best interests of our community and region

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Community satisfaction with the Council's lobbying on behalf of the community <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	58	56	Index score out of 100

2.6 Ensure timely compliance with statutory and regulatory obligations

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

The following statement reviews Council's progress on major initiatives identified in the 2015-2016 Budget for the year.

INITIATIVES – SERVICE ENHANCEMENTS	PROGRESS	COMMENTS
9. Increase and develop Council's social media presence	Delayed	Council launched a new website in 2016 and Facebook campaigns for programs such as community partnerships. As of 30 June 2016, Council had received 2,690 likes on its corporate Facebook page.
10. Develop a new Public Art Strategy and Policy	Delayed	A new Events & Culture Coordinator was appointed at the end of the fourth quarter after a prolonged vacancy. The Coordinator has been tasked to deliver this action within the first half of next financial year.
11. Test and assess Emergency Response and Recovery Preparedness in accordance with the <i>Emergency Management Act 2013</i> through annual desktop and event exercises	Completed	Exercise Prometheus, a multi-agency simulated event, was held at Craigieburn on 21 October 2015. A desktop refresher exercise was held for emergency liaison officers on 17 February 2016 in Sunshine.
12. Develop a comprehensive Community Infrastructure Policy	Completed	The Community Infrastructure Planning Policy was endorsed by the Policy Review Panel at the 30 June 2016 meeting. The Policy is expected to be adopted at the 22 August 2016 Council meeting.
13. Incorporate Social Procurement Principles into the 2015/2016 tender process for the Parks, Open Space & Tree Maintenance Services and Road & Drainage Maintenance Services contracts	Delayed	Seven social procurement traineeships are in place through contracts in Council's Operations Service Unit.
MAJOR INITIATIVES	PROGRESS	COMMENTS
14. Expansion of the Melton Resale Centre at the Melton Recycling Facility	Completed	The project was completed on 30 April 2016. Floor space has been increased by over 100% (329m ² to 703m ²).
15. Street Tree Planting and Beautification Program	Completed	There were 391 trees planted and 37 beautification projects completed this year.

THEME 2

A well governed and leading organisation

The following statement provides information in relation to the services funded in the 2015-2016 Budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST	ACTUAL
		BUDGET	VARIANCE
		\$000	
Compliance	Administer general local laws enforcement, planning enforcement, building services, environmental health (Food Safety & Immunisation programs), animal management, parking enforcement and school crossings.	\$3,058	
			-\$2,583
			\$475
Customer Engagement	Provide inbound call handling and counter services, communication strategies, civic functions and governance, events, arts and cultural activities.	\$4,489	
			-\$4,196
			\$293
Finance	Provide financial services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges and property valuation.	\$132,849	
			-\$152,325
			\$19,476
Information Services	Information Services provides leadership, support and improvement capability in the area of information and technology so the organisation can deliver effective services.	\$5,080	
			-\$4,950
			\$130
Operations	Provide waste management and cleaning services that include kerbside waste, recycling and organics collection, street and footpath sweeping services, litter collection, graffiti removal and the operation of the Melton Recycling Facility. Maintain our parks, open spaces, trees, property, drainage and roads. Emergency management planning and business continuity planning.	\$35,742	
			-\$34,446
			\$1,296
People and Culture	Provide human resources, learning and development payroll, industrial relations, injury management, occupational health & safety, risk management and health & wellbeing initiatives.	\$1,919	
			-\$1,849
			\$70
Executive and Councillors	This area of governance includes the Mayor, Councillors, Chief Executive Officer and executive management team and associated support which cannot be easily attributed to the direct service provision areas.	\$2,767	
			-\$2,823
			-\$56
Legal Services	Provide a range of internal legal advice to Council in all relevant areas of law and report on all legal matters across Council. Process freedom of information requests and protected disclosure. Provide procurement, fleet management, contract services and internal audit services.	\$1,542	
			-\$1,146
			\$396

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

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
GOVERNANCE			
Transparency <i>Council decisions made at meetings closed to the public</i> (Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x 100	26%	18.71%	
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	59	54	
Attendance <i>Councillor attendance at Council meetings</i> (The sum of the number of Councillors who attended each ordinary and special Council meeting/number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election) x 100	89%	85.71%	
Service cost <i>Cost of governance</i> (Direct cost of the governance service/number of Councillors elected at the last Council general election)	\$53,421.71	\$52,678.96	
Satisfaction <i>Satisfaction with Council decisions</i> (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community) <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	60	56	

THEME 2

A well governed and leading organisation

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
ANIMAL MANAGEMENT			
Timeliness <i>Time taken to action animal management requests</i> (Number of days between receipt and first response action for all animal management requests/number of animal management requests)	NA	2.67	
Service standard <i>Animals reclaimed</i> (Number of animals reclaimed/number of animals collected) x 100	47%	45.02%	
Service cost <i>Cost of animal management service</i> (Direct cost of the animal management service/ number of registered animals)	\$48.56	\$39.78	Average costs have decreased due to improved economies of scale.
Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	18	2	In the 2015/2016 financial year, the majority of matters were resolved through settlements not requiring prosecutions.
FOOD SAFETY			
Timeliness <i>Time taken to action food complaints</i> (Number of days between receipt and first response action for all food complaints/number of food complaints)	0	2.79	
Service standard <i>Food safety assessments</i> (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>) x 100	85%	93.55%	
Service cost <i>Cost of food safety service</i> (Direct cost of the food safety service/number of food premises registered or notified in accordance with the <i>Food Act 1984</i>)	\$585.53	\$559.85	
Health and safety <i>Critical and major non-compliance outcome notifications</i> (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x 100	NA	100%	During the 2014/2015 financial year there were no critical or major non-compliance outcome notifications received by Council, while during 2015/2016, there was one.

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
WASTE COLLECTION			
Satisfaction <i>Kerbside bin collection requests</i> (Number of kerbside garbage and recycling bin collection requests/number of kerbside bin collection households) x 1000	129.72	82.15	The number of bin requests is affected by the rate of residential population growth during the year. While the result has reduced, it is still reasonable given the rate of municipal growth.
Service standard <i>Kerbside collection bins missed</i> (Number of kerbside garbage and recycling collection bins missed/number of scheduled kerbside garbage and recycling collection bin lifts) x 10,000	5.22	4	The number of missed bin collections has decreased due to improved service delivery by Council's kerbside waste collection contractor.
Service cost <i>Cost of kerbside garbage bin collection service</i> (Direct cost of the kerbside garbage bin collection service/number of kerbside garbage collection bins)	\$102.19	\$101.32	
Service cost <i>Cost of kerbside recyclables collection service</i> (Direct cost of the kerbside recyclables bin collection service/number of kerbside recyclables collection bins)	\$22.70	\$26.00	
Waste diversion <i>Kerbside collection waste diverted from landfill</i> (Weight of recyclables and green organics collected from kerbside bins) x 100	43%	42.49%	

DID YOU KNOW?

Council distributed \$403,678 in Community Grants Program funding this year.



**Diverse, confident
and inclusive
communities**

THEME 3

Diverse, confident and inclusive communities

STRATEGIC OUTCOME:

A culturally rich, active, safe and connected City

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

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Client satisfaction with aged care services <i>Source: Client survey</i>	98%	95.48%	
Community satisfaction with children's services <i>Source: Metropolis Melton Household Survey</i>	8.06	8.21	Index score out of 10
Client satisfaction with disability support services	100%	95.48%	
Client satisfaction with family support services <i>Source: Integrated Family Service Client survey</i>	80%	80%	
Client satisfaction with youth services <i>Source: Youth Services Client survey</i>	80%	93%	Collated information from individual program evaluations. Averaged figure.

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Volunteer rates <i>Source: Metropolis Melton Household Survey</i>	60.8%	13.4%	This question was asked as a rating scale question in 2015 and as a yes/no question in 2016. This variation will be the significant factor in the variation between the two results.
Residents feel they are part of the community <i>Source: Metropolis Melton Household Survey</i>	7.52	6.98	Index score out of 10

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

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

THEME 3

Diverse, confident and inclusive communities



Volunteering has helped me learn more about the community, and make some great friends. I especially enjoy being part of the Council's Youth Advisory Committee – talking to young people about the things that affect them ... it's important work.

THOMAS WOOF
 2016 CITY OF MELTON YOUNG CITIZEN OF THE YEAR

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Eligible population who are library members	34%	35%	
Client satisfaction with library services	91%	91%	
<i>Source: Library Client Survey</i>			

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Attendance levels at indigenous and multicultural events and activities	930	1,100	

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Residents who feel safe during the day <i>Source: Metropolis Melton Household Survey</i>	8.45	8.33	Index score out of 10
Residents who feel safe in and around High Street Melton <i>Source: Metropolis Melton Household Survey</i>	7.77	7.70	Index score out of 10
Residents who feel safe in and around local shopping areas <i>Source: Metropolis Melton Household Survey</i>	8.10	7.93	Index score out of 10
Residents who feel safe in and around the Woodgrove Shopping Centre <i>Source: Metropolis Melton Household Survey</i>	8.05	7.94	Index score out of 10
Residents who feel safe travelling on or waiting for public transport <i>Source: Metropolis Melton Household Survey</i>	85.5%	81%	

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Residents who feel part of the community	7.52	6.98	Index score out of 10
<i>Source: Metropolis Melton Household Survey</i>			

The following statement reviews the progress of Council in relation to initiatives identified in the 2015-2016 Budget for the year.

INITIATIVES	PROGRESS	COMMENTS
16. Review and publish the Melton City Council Early Years Guide	Completed	An online directory to replace the Early Years Guide has been developed.
17. Deliver the Inclusive Arts Initiative to encourage children and young people with a disability, aged 5-17 years, to participate in an arts-based program	Delayed	A four-week program for eight young people with a disability was conducted in June 2016. This program provided participants the opportunity to learn photographic skills, with a selection of their images being incorporated into a travelling Art Exhibition at the Melton Library & Learning Hub, Caroline Springs Civic Centre & Library and the Melton Civic Centre.
18. Deliver the Enhanced Homework Support Initiative to encourage young people to participate in 'drop in' programs at Council's Youth centres	Completed	Council's Youth Services, operating in partnership with New Hope Foundation, have linked Victoria University students in the field of Youth Work to deliver the Enhanced Homework Support Initiative to 20 youth participants at the Melton Library & Learning Hub.
19. Deliver the CALD Social Cohesion Project to City's youth community	Completed	Melton Youth for Change group informed activities that were during Youth Week, providing cultural awareness and community education. There were 12 registered participants.
20. Develop the Library Collection to expand its CALD community resources in print, online and in DVDs	Completed	There were 1,335 new items added to the library service's Culturally and Linguistically Diverse (CALD) resource collection for the year.
MAJOR INITIATIVES	PROGRESS	COMMENTS
21. Complete construction of the Burnside Children's and Community Centre	Completed	The Centre commenced operations in January 2016 and was officially opened on 8 April 2016. The project was delivered within the budget of \$4.5 million.
22. Commence the Redevelopment of Aged Precinct to include an extension on the east side to Smith Street	Completed	The contract was awarded at 7 January 2016 Council meeting and a works program commenced at the McKenzie Street development in February 2016.

THEME 3

Diverse, confident and inclusive communities

The following statement provides information in relation to the services funded in the 2015-2016 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 included 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.	\$4,001	
			-\$2,948
			\$1,053
Community Care & Inclusion	Provision of a range of respite, centre based, Home and Community Care services for the aged, disabled and their carers including home delivered and centre based meals, personal care, transport, dementia care, home maintenance, housing support, senior citizen clubs, respite care and volunteer coordination.	\$2,391	
			-\$1,999
			\$392
Libraries	Provision of public library services including collections, programs and activities from two library locations, online and via home library services to promote reading, learning and literacy.	\$2,375	
			-\$2,237
			\$138

DID YOU KNOW?

The number of people volunteering in the City of Melton increased by 59 per cent to 1,295 volunteers.

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

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
HOME AND COMMUNITY CARE (HACC)			
Timeliness <i>Time taken to commence the HACC service</i> (Number of days between the referral of a new client and the commencement of HACC service/number of new clients who have received a HACC service)	N/A	25.03	
Service standard <i>Compliance with Community Care Common Standards.</i> (Number of Community Care Common Standards expected outcomes met/number of expected outcomes under the Community Care Common Standards) x 100	100%	100%	Council's last formal Quality Review against the Community Care Common Standards was conducted in May 2012.
Service cost <i>Cost of domestic care service</i> (Cost of the domestic care service/ hours of domestic care service provided)	N/A	\$64.61	The cost of this service is high in comparison to other councils because it incorporates both the Home Care Allowance and training costs for staff.
Service cost <i>Cost of personal care service</i> (Cost of the personal care service/ hours of personal care service provided)	N/A	\$40.35	
Service cost <i>Cost of respite care service</i> (Cost of the respite care service/ hours of respite care service provided)	N/A	\$45.48	
Participation <i>Participation in HACC service</i> (Number of people that received a HACC service/municipal target population for HACC services) x 100	0.5%	10.52%	
Participation <i>Participation in HACC service by CALD people</i> (Number of CALD people who receive a HACC service/municipal target population in relation to CALD people for HACC services) x 100	6.73%	6.95%	

THEME 3

Diverse, confident and inclusive communities

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
LIBRARIES			
Utilisation	4.07	4.25	
<i>Library collection usage</i> (Number of library collection item loans/ number of library collection items)			
Resource standard	60%	50.96%	
<i>Standard of library collection</i> (Number of library collection items purchased in the last five years/ number of library collection items) x 100			
Service cost	\$4.11	\$4.10	
<i>Cost of library service</i> (Direct cost of the library service/ number of visits)			
Participation	12.48%	11.26%	
<i>Active library members</i> (Number of active library members/ municipal population) x 100			
MATERNAL AND CHILD HEALTH (MCH)			
Satisfaction	100%	105.54%	
<i>Participation in first MCH home visit</i> (Number of first MCH home visits/ number of birth notifications received) x 100			
Service standard	95%	100%	
<i>Infant enrolments in the MCH service</i> (Number of infants enrolled in the MCH service from birth notifications received/ number of birth notifications received) x 100			
Cost of service	N/A	\$90.40	
<i>Cost of the MCH service</i> (Cost of the MCH service/hours worked by MCH nurses)			
Participation	73%	73.05%	
<i>Participation in the MCH service</i> (Number of children who attend the MCH service at least once in the year/number of children enrolled in the MCH service) x 100			
Participation	62%	61.62%	
<i>Participation in the MCH service by Aboriginal children</i> (Number of Aboriginal children who attend the MCH service at least once in the year/ number of Aboriginal children enrolled in the MCH service) x 100			

Community health and wellbeing



THEME 4

Community health and wellbeing

STRATEGIC OUTCOME:

A City of people leading healthy and happy lives

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

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

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Community satisfaction with the level of access to local health services <i>Source: Metropolis Melton Household Survey</i>	7.52	7.22	Index score out of 10
Ratio of general practitioners per 1,000 people <i>Source: Department of Health Modelling, GIS and Planning Products Unit</i>	94	94	

4.2 Address health inequalities in our community

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Percentage of persons reporting high/very high degrees of psychological stress <i>Source: Victorian Population Health Survey 2011/2012</i>	20.7%	20.7%	
Community satisfaction with support services for disadvantaged residents (e.g. assistance for disadvantaged and minority groups) <i>Source: Metropolis Melton Household Survey</i>	7.71	7.55	Index score out of 10 The Metropolis survey does not ask this question. The figure given refers to support for disabled residents.

4.3 Encourage the community to be physically active and healthy

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	COMMENTS
Persons who participate in organised activity (e.g. sporting clubs, gym etc) <i>Source: Metropolis Melton Household Survey</i>	N/A	58.8%	
Persons who participate in informal activity (e.g. walking, swimming, cycling, golf) <i>Source: Metropolis Melton Household Survey</i>	N/A	80.8%	
Increase in length of dedicated walk and cycle trails in the City <i>Source: Geographic Information System</i>	3%	5%	
Residents who regularly use local playgrounds, parks, plazas and gardens <i>Source: Metropolis Melton Household Survey</i>	N/A	80.3%	



The Get Active in the City of Melton fitness program was also something we could do together, and good role modelling for the boys seeing me being active with them.

ALLISON FALZON
 LOCAL RESIDENT

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

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

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015-2016 Budget for the year.

INITIATIVES	PROGRESS	COMMENTS
23. Delivery of initiatives in conjunction with the Melton Interfaith Network	Completed	Melton Interfaith Network monthly meetings were supported by a Council officer. Council partnered with the Network to deliver a Refugee Week 2016 community event on 22 June 2016.
24. Deliver the Community Partnership Program to foster cross-cultural connections	Completed	Eleven community partnership projects, involving 22 community groups, were undertaken in 2015/2016.
25. Deliver the Healthy Children Growing Together program	Completed	More than 500 children and their families were engaged. The Active April event was held with 425 attendees. Conversations with Parents continued to run with an average of 28 participants per month. The Healthy Eating Guide was developed for educators. The Breast Pump Scheme commenced in partnership with Djerriwarrh Health Services.
26. Collaborate with project partners to deliver the Melton City Council actions in the One Million Tree Greening the West Project	Completed	The Service Level Agreement between Council and LeadWest is in place with 30,000 trees to be planted by June 2017. Site planning and preparation has occurred across a number of locations. Tree planting will commence in the first quarter of the 2016/2017 financial year following extensive site preparations.

THEME 4

Community health and wellbeing

INITIATIVES	PROGRESS	COMMENTS
27. Review opportunities to increase female participation in sport in line with State Government priorities		The Western Metropolitan Region Football Facilities Strategy was completed. A multi-sport day for girls was held on 31 March 2016, with 70 participants supported by AFL Victoria, Cricket Victoria and Netball Victoria. A funding application was made to Sport and Recreation Victoria for the construction of female friendly change room facilities at the Town Centre Recreation Reserve.

MAJOR INITIATIVES	PROGRESS	COMMENTS
28. Deliver and activate the Bridge Road Sports Precinct in Bridge Road, Melton South	Completed	The Management Plan was adopted by Council at its ordinary meeting on 27 June 2016, with the site officially opened on the same day. An expression of interest process for the tenancy was undertaken regarding occupancy in addition to anchor tenants: the Melton Hockey Club and Melton Little Athletics.

The following statement provides information in relation to the services funded in the 2015-2016 Budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL BUDGET VARIANCE \$000
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.	\$3,839 -\$3,365 \$474
Community Planning	Provision of strategic planning, policy development, and program delivery services in the functions of Council planning, social research, social planning, community infrastructure planning, health and wellbeing, community safety, road safety and active travel, violence prevention, community capacity development, community engagement, policy management, corporate planning and performance reporting, community funding, neighbourhood houses, community facilities management, and community learning planning and programs.	\$3,005 -\$2,710 \$295

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

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	MATERIAL VARIATIONS
AQUATIC FACILITIES			
Service standard	1	2	
<i>Health inspections of aquatic facilities</i> (Number of authorised officer inspections of Council aquatic facilities/number of Council aquatic facilities)			
Health and safety	0	0	
<i>Reportable safety incidents at aquatic facilities</i> (Number of WorkSafe reportable aquatic facility safety incidents)			
Service cost	\$1.48	\$1.68	
<i>Cost of indoor aquatic facilities</i> (Direct cost of indoor aquatic facilities less income received/number of visits to indoor aquatic facilities)			
Utilisation	2.17	1.93	
<i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/ municipal population)			

DID YOU KNOW?

Council ran the Sons of the West men's health program for the third consecutive year in 2015/2016.

Governance, management and statutory information

12

Ordinary Council meetings

8

Special Council meetings

\$288,658

spent on Councillor allowances

6

internal audits completed

7

members on the
Internal Audit Committee

24

governance and management
assessments achieved





Governance, management and statutory information

Governance

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

Melton City Council:

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

Councillor vacancies and appointments

Nil vacancies and appointments for 2015/2016.

Councillor's Code of Conduct

During 2015/2016 a series of reforms to the *Local Government Act 1989* arose requiring Council to review and make any necessary amendments to the Councillor Code of Conduct. In accordance with the reforms, the 2016 Councillor Code of Conduct was adopted at the special meeting of Council on 23 May 2016.

The 2016 Councillor Code of Conduct includes sections on courtesy, integrity, responsibility, stewardship, discretion, decision-making, acceptance of gifts, conflicts of interest, functional separation and a comprehensive section on dispute resolution procedures.

In carrying out their role, Councillors will:

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

In addition, in performing this role, Councillors will:

- avoid conflicts between public duties as Councillors and personal interests and obligations
- act honestly and avoid making oral or written statements and avoid actions that may mislead a person
- treat all persons with respect and show due respect for the opinions, beliefs, rights and responsibilities of other Councillors, Council officers and other people

- exercise reasonable care and diligence and submit to lawful scrutiny that is appropriate to their office
- ensure that public resources are used prudently and solely in the public interest
- act lawfully and in accordance with the trust required as elected representatives of the community
- support and promote these principles by leadership and example to ensure the public has confidence in the office of Councillor.

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

Conflicts of interest

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

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

Delegations of authority

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

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

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

Council meetings

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

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

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

Council meetings were held on these dates in 2015/2016:

- 14 July 2015 (ordinary meeting of Council)
- 11 August 2015 (ordinary meeting of Council)
- 1 September 2015 (special meeting of Council)
- 8 September 2015 (ordinary meeting of Council)
- 15 September 2015 (special meeting of Council)
- 13 October 2015 (ordinary meeting of Council)
- 20 October 2015 (special meeting of Council)
- 27 October 2015 (statutory meeting and special meeting)
- 10 November 2015 (ordinary meeting of Council)
- 8 December 2015 (special meeting of Council)
- 15 December 2015 (ordinary meeting of Council)
- 7 January 2016 (special meeting of Council)
- 8 February 2016 (ordinary meeting of Council)
- 7 March 2016 (ordinary meeting of Council)
- 4 April 2016 (ordinary meeting of Council)
- 18 April 2016 (special meeting of Council)
- 2 May 2016 (ordinary meeting of Council)
- 23 May 2016 (special meeting of Council)
- 30 May 2016 (ordinary meeting of Council)
- 27 June 2016 (ordinary meeting of Council)

Councillor allowances

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

In accordance with section 74(1) of the *Local Government Act 1989*, Council reviewed and determined the level of the Councillor and Mayoral allowance within six months of the October 2012 election, confirming allowances at the special meeting of Council on 1 November 2012. The Councillor and Mayoral allowances are further reviewed and adjusted at each statutory meeting of Council.

Mayor and Councillors' allowances for 2015/2016

COUNCILLOR	ALLOWANCE \$
Cr Sophie Ramsey (Mayor 28 October 2014 – 27 October 2015)	48,335
Cr Nola Dunn	31,396
Cr Myles Bentley	31,396
Cr Lara Carli	31,396
Cr Renata Cugliari	31,396
Cr Kathy Majdlik (Mayor 27 October 2015 – current)	83,343
Cr Bob Turner	31,396

Councillor expenses

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

To ensure that Council policy in relation to the appropriate provision of resources and support provided to Councillors meet contemporary standards of probity and community expectations, the policy review panel endorsed a revised and updated resource support and expenses of Councillors and special committee members policy in September 2014, which was approved at the 21 October 2014 Council meeting.

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

Governance, management and statutory information

Management

Audit committee

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

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

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

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

- 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 2014/2015 Statement of Accounts, which included the provision of comments on the external auditors' management letter.

Members of the audit committee and meetings attended during 2015/2016

AUDIT COMMITTEE MEMBER	POSITION	MEETINGS ATTENDED
Alan Hall	Chairperson Independent external	6
Adam Roberts	Independent external	6
Stan Naylor	Independent external	5
Kathy Majdlik	Councillor (to December 2015)	2
Sophie Ramsey	Councillor (to December 2015)	3
Lara Carli	Councillor (from January 2016)	2
Myles Bentley	Councillor (from January 2016)	3

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.

Mayor and Councillor's expenses for 2015/2016

	CR SOPHIE RAMSEY	CR NOLA DUNN	CR BOB TURNER	CR KATHY MAJDLIK	CR RENATA CUGLIARI	CR LARA CARLI	CR MYLES BENTLEY
1. Conferences, seminars and training	\$8,383	\$425	\$0	\$1,773	\$0	\$0	\$0
2. Travel local	\$108	\$29	\$140	\$1,623	\$0	\$0	\$0
3. Communication	\$2,551	\$890	\$1,883	\$1,512	\$2,128	\$1,134	\$910
4. Functions external to Civic Centre	\$1,194	\$310	\$885	\$1,188	\$65	\$241	\$430
5. Carer expenses	\$0	\$0	\$0	\$7,265	\$0	\$0	\$0
6. Councillor allowance	\$48,335	\$31,396	\$31,396	\$83,343	\$31,396	\$31,396	\$31,396
Total	\$60,571	\$33,050	\$34,304	\$96,704	\$33,589	\$32,771	\$32,736

Internal audit

The internal audit function for 2015/2016 was provided under contract by auditors Oakton Services.

During 2015/2016, the following audits were undertaken by Council's internal auditors:

- Strategic Internal Audit Plan 2015-2018
- Review of ICT security & system controls
- Review of risk management framework
- Review of payroll
- Review of governance & compliance
- Review of Councillors & management expenses.

External audit

The Victorian Auditor-General externally audits Council each year. For the 2015/2016 year a Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors attended the April and August audit committee meetings to present the annual audit plan and independent audit report. The external audit management letter and responses are also provided to the audit committee.

Risk management

In 2015/2016, Council regularly reviewed its strategic and corporate risks; it also identified new ones in preparation for the development of the 2017-2021 Council Plan. The risk management system was audited by Council's internal auditors and some minor improvements were identified and implemented. A new report to track each service unit's progress on completing risk management actions was implemented, and is successfully driving increased activity and outcomes. An internal survey confirmed that changes to Council's risk management system in the last two years have delivered the intended improvements.

Governance and management checklist

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT	
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Date of operation of policy: 23 June 2015.	✓
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 23 June 2015.	✓
3. Strategic resource plan (plan under section 126 of the <i>Local Government Act</i> outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the <i>Local Government Act</i> . Date of adoption: 27 June 2016.	✓
4. Annual budget (plan under section 130 of the <i>Local Government Act</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the <i>Local Government Act</i> . Date of adoption: 27 June 2016.	✓
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: 27 June 2016.	✓
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 9 July 2014.	✓
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 20 December 2010.	✓
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 <i>Emergency Management Act</i> . Date of preparation: 12 April 2016.	✓
10. Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i> . Date of approval: 16 December 2014.	✓
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of current plan: 6 January 2016.	✓
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Information technology disaster recovery plan. Date of preparation: 23 May 2014.	✓
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Date of operation of current framework: 9 July 2014.	✓
14. Audit Committee (advisory committee of Council under section 139 of the <i>Local Government Act</i> whose role is to oversee the integrity of a council's financial reporting processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the <i>Local Government Act</i> . Date of establishment: 2 February 1998.	✓

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	New auditors are appointed every three years. Date of engagement of current provider: 1 July 2015. ✓
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act</i>)	Council has incorporated the Local Government performance reporting framework, performance indicators and service indicators into the Council Budget, which was adopted on 23 May 2015. ✓
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: 8 September 2015, 15 December 2015, 7 March 2016, 2 May 2016. Reporting on the Council Plan Strategic Indicators occurs twice a year via the Annual Report, adopted by Council on 20 October 2015 and the midterm performance report to Executive on 11 February 2016. ✓
18. Financial reporting (quarterly statements to Council under section 138 of the <i>Local Government Act</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the <i>Local Government Act</i> . Dates statements were adopted by Council: 30 May 2016, 7 March 2016, 15 December 2015, 20 October 2015. ✓
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Annual risk report adopted by Council: 10 November 2015. Six-monthly update to Council: 30 May 2016. ✓
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 <i>Local Government Act</i>)	Reporting on the indicators occurs twice a year via the Annual Report, adopted by Council on 20 October 2015 and the midterm performance report to Executive on 11 February 2016. ✓
21. Annual Report (annual report under sections 131, 132 and 133 of the <i>Local Government Act</i> to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the <i>Local Government Act</i> . Date report presented to the Minister: 30 September 2015. Adopted by Council: 20 October 2015. ✓
22. Councillor Code of Conduct (Code under section 76C of the <i>Local Government Act</i> setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the <i>Local Government Act</i> . Date reviewed: 25 June 2013. ✓
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 <i>Local Government Act</i> . Date of review: 2 July 2014. ✓
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 <i>Local Government Act</i> . Date local law made: 2 August 2013. ✓

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



Kelvin Tori
 Chief Executive Officer
 Dated: 12 September 2016



Cr Kathy Majdlik
 Mayor
 Dated: 12 September 2016

Governance, management and statutory information

Statutory information

Documents available for public inspection

The following is a list of documents that are available for inspection at Melton City Council offices in accordance with Regulation 12 of the *Local Government (General) Regulations 2015*. Copies of the documents can be obtained for the purposes of Section 222 of the *Local Government Act 1989*. Some of these documents may also be available on 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 *Local Government Act* to take into account best value principles to ensure that services:

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

Council undertook the following best value activities during 2015/2016:

- Developed an open space strategy and community infrastructure policy in order to strategically align Council's investments in infrastructure with community needs and demands
- Completed a review of service models and levels for parks, trees, road and drainage maintenance services
- Began work on a portfolio office project to improve Council's project delivery capacity, and to ensure Council invests in the right projects and programs to meet its strategic objectives
- Began planning to develop a community vision to be developed collaboratively with its communities, to be aligned with Council's key strategic planning documents (combined Council and Health & Wellbeing Plan and Municipal Strategic Statement)
- Adopted an integrated transport strategy in response to community demands for improved interregional and intraregional accessibility
- Adopted an investment attraction strategy and a digital economy strategy in order to improve economic development outcomes
- Adopted a new corporate website accessible from portable electronic devices, in response to trends in patterns of use

- Implemented year two of a cloud computing implementation project to cost-effectively improve Council's information and communication technology capacity
- Doubled the number of electronic book files available through Council's libraries, in response to shifts in the demand of library members through borrowing patterns
- Continued detailed planning for the Melton community health facility to be located at Barries Road, Melton, to support improved health service delivery, particularly for mental health services.

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).

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, but did enter into the following contract for goods/services valued at \$150,000 or more.

1906/0625 – retail Electricity, Natural Gas, Public Lighting & Associated Services through a Procurement Australia contract.

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

Carers recognition

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

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

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

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

- Council induction and training programs for staff working in 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.

Disability Action Plan

The following actions from the Disability Action Plan 2013–2017 were implemented in 2015/2016:

- Reviewed and realigned Council's aged and disability services to reflect aged care and National Disability Insurance Scheme reforms.
- Utilised the expertise of the Melton Disability Advisory Committee to support planning and decision-making
- Successfully advocated to state and federal governments to attract specialist health services, programs and funding
- Worked closely with a range of agencies to build their capacity to deliver appropriate flexible services in Melton through the facilitation of the Melton Service Provider Network
- Provided opportunities for people with disabilities to actively participate, socialise and have fun in the community, improving their health and wellbeing
- Delivered a number of community arts initiatives that acknowledged the skills and contribution of young people with disabilities
- Partnered with Melton businesses to create pathways for people of all abilities to employ through delivery of a business breakfast that focused on the benefits of employing people with a disability
- Delivered a Men's Shed in the eastern sector of the municipality to address health and wellbeing needs of men, including people with a disability
- Introduced the Access and Inclusion Leader of the Year category in Council's Community Achievement Awards program.

Governance, management and statutory information

Domestic Animal Management Plan

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

Key achievements in 2015/2016 included:

- Officer training including Certificate IV in Animal Control and Regulation, Certificate IV in Government (Statutory Compliance), OH&S – dealing with aggressive customers and conflict resolution.
- Website updates include information on animals impounded. Council's Facebook page updated regularly to include lost animals.
- A review of Council's arrangements for re-homing animals. A total of 18 Section 84Y agreements under the *Domestic Animal Act 1994* are now in place.
- Council's general local Laws reviewed and the criterion for keeping multiple animals amended.
- Between April and June 2016, 16 restricted and dangerous dog inspections were completed on premises.
- All 14 domestic animal businesses operating in Melton were inspected and complied with the *Domestic Animal Act 1994*.

Fast facts:

- 94 reported dog attacks (up by 7 reports from 2014/2015)
- Two declared dangerous dogs
- The cost of dog registration rose from \$110 in 2014/2015 to \$114 in 2015/2016
- 20,947 animal registrations, an increase of 36% from 2014/2015

Food Act Ministerial directions

Council received no Ministerial directions during the financial year.

Freedom of Information

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

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

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

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

In 2015/2016, Melton City Council received 32 requests for information under the *Freedom of Information Act 1982*. The results of the applications are as follows:

RESULT OF ACCESS	NUMBER OF REQUESTS
Access granted in full	1
Access granted in part	23
Access denied in full	0
Other:	
No documents	1
Request withdrawn	0
Request closed/did not proceed (no response from applicant)	4
Request not yet finalised as at 30 June 2016	2
Request outside the Act	0
Request transferred to another agency	1
Total number of requests	32

Protected disclosure procedures

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

During 2015/2016, no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act Ministerial direction

In accordance with Section 22 of the *Road Management Act 2004*, Council reports that no Ministerial directions were received during 2015/2016.

Victorian Local Government Indicators

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

The following table presents the results of the VLGIs for the 2015/2016 year.

INDICATORS	CALCULATION	2015/2016	2014/2015
1 Average rates and charges per assessment	Total rates and charges receivable at the beginning of the year/number of assessments in the adopted budget	\$1,828	\$1,743
2 Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at the beginning of the year/number of residential assessments in the adopted budget	\$1,608	\$1,585
3 Average liabilities per assessment	Total liabilities/number of assessments in the adopted budget	\$1,193	\$1,189
4 Operating result per assessment	Net surplus/number of assessments in the adopted budget	\$2,166	\$1,024
5 Average operating expenditure per assessment	Operating expenditure/number of assessments in adopted budget	\$2,622	\$2,654
6 Community satisfaction rating for overall performance generally of Council	Result from the annual Local Government Community Satisfaction Survey*	61	63
7 Average capital expenditure per assessment	Capital expenditure/number of assessments in the adopted budget	\$582	\$879
8 Renewal gap	Capital renewal/average annual asset consumption	22%	23%
9 Renewal and maintenance gap	Capital renewal and maintenance/average annual asset consumption planned maintenance	50%	28%
10 Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the annual Local Government Community Satisfaction Survey*	56	58
11 Community satisfaction rating for Council's engagement in decision-making on key local issues	Result from the annual Local Government Community Satisfaction Survey*	56	60

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

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Description of municipality

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

The City of Melton embraces a series of townships and communities including Caroline Springs

(19 kilometres west of Melbourne's CBD) and Melton (35 kilometres west of Melbourne's CBD).

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

OTHER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2016

1. Basis of preparation

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

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

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 23 June 2015 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.

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Sustainable Capacity Indicators

INDICATOR /MEASURE	RESULTS 2015	RESULTS 2016	MATERIAL VARIATIONS AND COMMENTS
POPULATION			
<i>Expenses per head of municipal population</i> [Total expenses/municipal population]	\$969.62	\$940.98	No material movement.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure/municipal population]	\$7,485.40	\$9,741.57	The variation in the result is partially attributable to the inclusion of construction costs for roads, as well as revolutions conducted during the year.
<i>Population density per length of road</i> [Municipal population/kilometres of local roads]	129.30	130.93	No material movement.
OWN-SOURCE REVENUE			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue/municipal population]	\$756.07	\$810.41	No material movement.
RECURRENT GRANTS			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants/municipal population]	\$232.82	\$143.85	Due to 50% of the 2015/2016 Victoria Grants Commission allocation paid early to Council in the 2014/2015 year.
DISADVANTAGE			
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	The variation in the result is partially due to early payment during 2014/2015 of Melton City Council's 2015/2016 Victorian Government's Commission allocation.

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Service Performance Indicators

SERVICE/INDICATOR /MEASURE	RESULTS 2015	RESULTS 2016	MATERIAL VARIATIONS AND COMMENTS
AQUATIC FACILITIES			
<i>Utilisation</i>	2.17	1.93	
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/ municipal population]			
ANIMAL MANAGEMENT			
<i>Health and safety</i>	18.00	2.00	
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]			In the 2015/2016 financial year the majority of matters were resolved through settlements not requiring prosecutions.
FOOD SAFETY			
<i>Health and safety</i>	0.00%	100.00%	
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100			During the 2014/2015 financial year there were no critical or major non-compliance outcome notifications received by Council, while during 2015/2016, there was one.
GOVERNANCE			
<i>Satisfaction</i>	60.00	56.00	
<i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]			
HOME AND COMMUNITY CARE (HACC)			
<i>Participation</i>	10.50%	10.52%	
<i>Participation in HACC service</i> [Number of people that received a HACC service/ municipal target population for HACC services] x 100			
<i>Participation</i>	6.73%	6.95%	
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service/ municipal target population in relation to CALD people for HACC services] x 100			

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Service Performance Indicators (CONTINUED)

SERVICE/INDICATOR /MEASURE	RESULTS 2015	RESULTS 2016	MATERIAL VARIATIONS AND COMMENTS
LIBRARIES			
<i>Participation</i> <i>Active library members</i> [Number of active library members/ municipal population] x 100	12.48%	11.26%	
MATERNAL AND CHILD HEALTH (MCH)			
<i>Participation</i> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year)/number of children enrolled in the MCH service] x 100	72.60%	73.05%	
<i>Participation</i> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year)/number of Aboriginal children enrolled in the MCH service] x 100	62.00%	61.62%	
ROADS			
<i>Satisfaction</i> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	62.00	64.00	
STATUTORY PLANNING			
<i>Decision-making</i> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/ number of VCAT decisions in relation to planning applications] x 100	50.00%	50.00%	
WASTE COLLECTION			
<i>Waste diversion</i> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins] x 100	43.00%	42.49%	

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Financial Performance Indicators

DIMENSION/ INDICATOR/ MEASURE	RESULTS	RESULTS	FORECASTS				MATERIAL VARIATIONS AND COMMENTS
	2015	2016	2017	2018	2019	2020	
EFFICIENCY							
<i>Revenue level</i>	\$1,566.11	\$1,608.42	\$1,579.06	\$1,556.27	\$1,536.11	\$1,518.27	No material movement.
<i>Average residential rate per residential property assessment</i>							
[Residential rate revenue/number of residential property assessments]							
<i>Expenditure level</i>	\$2,622.65	\$2,494.77	\$2,554.35	\$2,583.71	\$2,561.85	\$2,593.74	No material movement.
<i>Expenses per property assessment</i>							
[Total expenses/number of property assessments]							
<i>Workforce turnover</i>	13.00%	11.26%	11.23%	11.19%	11.11%	11.00%	Council discontinued the Melbacc Respite Facility and Early Intervention Services in the 2014/2015 year.
<i>Resignations and terminations compared to average staff</i>							
[Number of permanent staff resignations and terminations/average number of permanent staff for the financial year] x 100							
LIQUIDITY							
<i>Working capital</i>	197.27%	304.95%	243.94%	304.76%	329.88%	299.81%	Increased cash holdings due to additional Developer Contributions, additional grant funding and carry forward of capital works projects.
<i>Current assets compared to current liabilities</i>							
[Current assets/current liabilities] x 100 Unrestricted cash							
<i>Unrestricted cash compared to current liabilities</i>	11.35%	11.97%	35.65%	62.28%	90.40%	70.43%	The increases in the forecasted figures are due to Council not entering into new borrowings, increases in the grant funding for growth councils and the sales of land assets.
[Unrestricted cash/current liabilities] x 100							

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Financial Performance Indicators (CONTINUED)

DIMENSION/ INDICATOR/ MEASURE	RESULTS	RESULTS	FORECASTS				MATERIAL VARIATIONS AND COMMENTS
	2015	2016	2017	2018	2019	2020	
OBLIGATIONS							
<i>Asset renewal</i>	23.47%	22.32%	56.45%	39.69%	39.38%	53.47%	Movements in the forecasted figures are due to needs identified in the Council's Asset Management system and approved in the long term capital works plan.
<i>Asset renewal compared to depreciation</i>							
[Asset renewal expense/ asset depreciation] x 100							
LOANS AND BORROWINGS							
<i>Loans and borrowings compared to rates</i>	33.16%	31.37%	22.48%	18.07%	14.56%	11.24%	No material movement.
[Interest bearing loans and borrowings/rate revenue] x 100							
<i>Loans and borrowings repayments compared to rates</i>	12.98%	9.37%	8.35%	4.40%	3.49%	3.29%	Due to the continued growth in the Council the Rates Revenue base has increased while the borrowings of Council has remained at similar levels to the prior year.
[Interest and principal repayments on interest bearing loans and borrowings/rate revenue] x 100							
INDEBTEDNESS							
<i>Non-current liabilities compared to own source revenue</i>	26.61%	24.65%	21.03%	17.69%	14.69%	12.20%	No material movement.
[Non-current liabilities/ own source revenue] x 100							
OPERATING POSITION							
<i>Adjusted underlying result</i>	2.78%	1.81%	2.18%	1.48%	1.89%	2.12%	Due to 50% of the 2016 Victoria Grants Commission allocation paid early to Council in the 2015 year.
<i>Adjusted underlying surplus (or deficit)</i>							
[Adjusted underlying surplus (deficit)/ adjusted underlying revenue] x 100							

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Financial Performance Indicators (CONTINUED)


DIMENSION/ INDICATOR/ MEASURE	RESULTS	RESULTS	FORECASTS				MATERIAL VARIATIONS AND COMMENTS
	2015	2016	2017	2018	2019	2020	
STABILITY							
<i>Rates concentration</i>	64.98%	70.15%	69.91%	70.82%	71.22%	71.61%	No material movement.
<i>Rates compared to adjusted underlying revenue</i>							
[Rate revenue/adjusted underlying revenue] x 100							
<i>Rates compared to property values</i>	0.42%	0.44%	0.45%	0.43%	0.44%	0.42%	No material movement.
<i>Rates compared to property values</i>							
[Rate revenue/capital improved value of rateable properties in the municipality] x 100							

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Certification of Performance Statement

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



Thurairajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 12 September 2016

In our opinion, the accompanying performance statement of the Melton City Council for the year ended 30 June 2016 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 indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

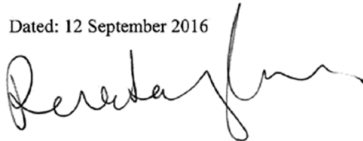
At the date of signing we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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



Cr. Kathy Majdik
Mayor

Dated: 12 September 2016



Cr. Renata Cugliari
Deputy Mayor

Dated: 12 September 2016

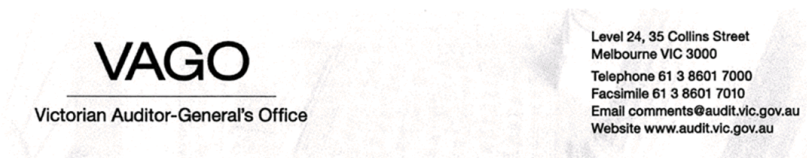


Kelvin Tori
Chief Executive Officer

Dated: 12 September 2016

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016



INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melton City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Melton City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Melton City Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
16 September 2016


Dr Peter Frost
Acting Auditor-General

MELTON CITY COUNCIL FINANCIAL REPORT

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MELTON CITY COUNCIL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	92,672	85,898
Statutory fees and fines	4	3,366	3,070
User fees	5	8,580	7,040
Grants - operating	6	18,200	31,207
Grants - capital	6	13,390	3,453
Contributions - cash	7	19,078	5,979
Contributions - non monetary assets	7	59,834	39,275
Other income	8	4,379	4,746
Net gain/(loss) on disposal of property, plant and equipment	9	2,113	(547)
Recognition of previously unrecognised non-current assets	20	14,639	-
Fair value adjustments for investment property	21	617	-
Total income		236,868	180,121
Expenses			
Employee costs	10	43,051	43,124
Materials and services	11	56,056	56,926
Utilities		3,690	3,543
Depreciation and amortisation	12	25,103	23,151
Borrowing costs	13	1,422	1,362
Bad and doubtful debts	14	406	403
Total expenses		129,727	128,510
Surplus/(deficit) for the year		107,141	51,611
Other comprehensive income			
Net asset revaluation increment(decrement)	28	298,931	(1,518)
Financial assets available for sale reserve			
- Gain/(loss) taken to equity	22	(41)	81
Total comprehensive result		406,031	50,174

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

MELTON CITY COUNCIL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	15	77,555	47,768
Trade and other receivables	16	15,055	10,132
Inventories	17	11	89
Land classified as held for sale	18	1,108	543
Other assets	19	2,148	2,568
Total current assets		95,878	61,100
Non-current assets			
Inventories	17	47	118
Property, infrastructure plant and equipment	20	1,722,055	1,349,642
Investment property	21	6,617	6,000
Financial assets	22	1,349	1,390
Intangible assets	23	4,338	4,665
Total non-current assets		1,734,406	1,361,815
Total assets		1,830,284	1,422,915
Liabilities			
Current liabilities			
Trade and other payables	24	13,697	15,166
Provisions	25	8,736	8,572
Interest bearing liabilities	26	6,915	7,262
Trust funds and deposits	27	2,092	1,532
Total current liabilities		31,439	32,532
Non-current liabilities			
Provisions	25	1,491	1,340
Interest bearing liabilities	26	22,153	21,218
Trust funds and deposits	27	3,896	2,552
Total non-current liabilities		27,540	25,110
Total liabilities		58,979	57,642
Net Assets		1,771,305	1,365,274
Equity			
Accumulated surplus		973,295	881,704
Reserves	28	798,010	483,570
Total Equity		1,771,305	1,365,274

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

MELTON CITY COUNCIL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Total 2016 \$'000	Accumulated Surplus 2016 \$'000	Asset Revaluation Reserve 2016 \$'000	Other Reserves 2016 \$'000
2016					
Balance at beginning of the financial year		1,365,274	881,704	453,193	30,377
Surplus/(deficit) for the year		107,141	107,141	-	-
Net asset revaluation increment/ (decrement)	28	298,931	-	298,931	-
Financial Assets Gain/(loss) taken to equity	28	(41)	-	-	(41)
Transfers to other reserves	28	-	(30,920)	-	(30,920)
Transfers from other reserves	28	-	15,370	-	15,370
Balance at end of the financial year		1,771,305	973,295	752,124	45,886
	Note	Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Asset Revaluation Reserve 2015 \$'000	Other Reserves 2015 \$'000
2015					
Balance at beginning of the financial year		1,315,100	826,944	454,711	33,445
Surplus/(deficit) for the year		51,611	51,611	-	-
Net asset revaluation increment/ (decrement)	28	(1,518)	-	(1,518)	-
Financial Assets Gain/(loss) taken to equity	28	81	-	-	81
Transfers to other reserves	28	-	(14,791)	-	14,791
Transfers from other reserves	28	-	17,940	-	(17,940)
Balance at end of the financial year		1,365,274	881,704	453,193	30,377

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

MELTON CITY COUNCIL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		92,007	85,595
Statutory fees and fines		3,308	2,942
User fees		8,156	7,447
Grants received		31,515	35,174
Contributions and reimbursements		15,530	6,887
Interest received		1,548	1,096
Receipt of trust monies		2,005	(758)
Other receipts		2,976	4,094
Net GST refund/(payment)		5,966	7,876
Payments to suppliers		(68,025)	(68,250)
Payments to employees		(42,694)	(42,005)
Borrowing costs		(1,422)	(1,362)
Net cash provided by (used in) operating activities	29	50,869	38,736
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(27,022)	(35,096)
Payments for Other Financial Assets		-	-
Proceeds from sale of property, infrastructure, plant and equipment		5,352	2,030
Net cash provided by (used in) investing activities		(21,670)	(33,066)
Cash flows from financing activities			
Proceeds from borrowings		7,850	15,000
Repayment of borrowings		(7,262)	(11,147)
Net cash provided by (used in) financing activities		588	3,853
Net increase (decrease) in cash and cash equivalents		29,787	9,523
Cash and cash equivalents at the beginning of the financial year		47,768	38,245
Cash and cash equivalents at the end of the financial year	15	77,555	47,768
Financing arrangements	30		
Restrictions on cash assets	15		

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

MELTON CITY COUNCIL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CAPITAL WORKS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Property			
Land	20	655	-
Land under roads	20	96	-
Total land		751	-
Buildings	20	8,531	18,620
Building improvements		-	-
Total buildings		8,531	18,620
Total property		9,282	18,620
Plant and equipment			
Plant, machinery and equipment	20	1,009	1,049
Fixtures, fittings and furniture	20	10	20
Computers and telecommunications	20	-	93
Library books	20	221	355
Total plant and equipment		1,240	1,517
Infrastructure			
Roads	20	8,615	9,012
Bridges	20	14	695
Footpaths and cycleways	20	1,139	1,808
Drainage	20	974	173
Recreational, leisure and community facilities	20	7,235	3,540
Car parks	20	296	670
Total infrastructure		18,273	15,898
Total capital works expenditure		28,795	36,035
Represented by:			
Asset renewal expenditure		5,530	5,357
New asset expenditure		18,689	22,590
Asset Upgrade expenditure		4,014	7,824
Asset expansion expenditure		562	264
Total capital works expenditure		28,795	36,035

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Introduction

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

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

Statement of compliance

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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

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

(b) Change in accounting policies

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

(c) Accounting for investments in associates

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

(d) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Dividends

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

Other income

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

(e) Fair value measurement

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

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

(h) Other financial assets

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

(i) Inventories

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

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

(j) Non-current assets classified as held for sale

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

(k) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

Acquisition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Revaluation

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

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

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

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

Land under roads

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

(I) Depreciation and amortisation of infrastructure, plant and equipment and intangibles

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

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

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

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

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

Asset recognition thresholds and depreciation periods	Depreciation period	Threshold limit \$'000
Roads	10–100 years	10
Footpaths	10–70 years	10
Kerb and channel	10–70 years	10
Car parks	10–70 years	10
Traffic management	10–70 years	10
Bridges	25–100 years	25
Drainage works	80–100 years	25
Recreation facilities	3–30 years	1
Other	20–100 years	Nil
Plant and machinery	5 years	5
Buildings	50 years	Nil
Furniture and equipment	3–5 years	5
Land	N/A	Nil
Land under roads	N/A	Nil
Library assets	10 years	Nil

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Repairs and maintenance

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

(n) Investment property

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

(o) Impairment of assets

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

(p) Trust funds and deposits

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

(q) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

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

Borrowing costs

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

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

(r) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability – unconditional LSL representing seven years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The components of this current liability are measured at:

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

Classification of employee costs

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

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

(s) Leases

Operating leases

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

Leasehold improvements

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

(s) Goods and Services Tax (GST)

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

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

(t) Financial guarantees

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

(u) Contingent assets and contingent liabilities and commitments

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

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

(v) Pending accounting standards

Certain new AASs have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(w) Rounding

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 BUDGET COMPARISON

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

The budget figures detailed below are those adopted by Council on 23 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	93,067	92,672	(395)	1
Statutory fees and fines	2,290	3,366	1,076	2
User fees	8,780	8,580	(200)	
Contributions – cash	9,550	19,078	9,528	3
Contributions – non-monetary assets	62,500	59,834	(2,666)	4
Grants – Operating (recurrent)	21,867	17,646	(4,221)	5
Grants - Operating (non-recurrent)	222	554	332	6
Grants - Capital (recurrent)	-	2,186	2,186	7
Grants - Capital (non-recurrent)	7,217	11,204	3,987	8
Net gain on disposal of assets	1,779	2,113	334	9
Other income	3,894	4,379	485	10
Recognition of previously unrecognised assets	-	14,639	14,639	11
Fair value adj. for investment. Property	-	617	617	12
Total income	211,166	236,868	25,702	
Expenses				
Employee costs	47,008	43,051	(3,957)	13
Materials and services	51,731	56,056	4,325	14
Bad and doubtful debts	400	406	6	
Depreciation and amortisation	23,727	25,103	1,376	15
Finance costs	1,499	1,422	(77)	
Utilities & telephone exps	3,898	3,690	(208)	
Total expenses	128,263	129,727	1,464	
Surplus/(Deficit)	82,903	107,141	24,238	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 BUDGET COMPARISON (CONTINUED)

(i) Explanation of material variations

VARIANCE REF	ITEM	EXPLANATION
1	Rates and charges	The decrease is mainly due to supplementary rates being \$267k under budget. The number of new properties becoming rateable was less than predicted.
2	Statutory fees and fines	Budgeted figures did not include the Court Recoveries of 492k, these were allocated under other income. Other variances include additional infringement income due to more proactive patrols of 155k and additional Subdivision Plan checking fees of 218k due to increased level of construction activity in Subdivisions.
3	Contributions - cash	A number of estates had Developer Infrastructure Levies not budgeted for due to the developers bring forward developments as well as for a higher than budgeted indexation rate. Also a number of works in kind offsets were included in the budget.
4	Contributions - non-monetary assets	Variance to budget due to increases in development activity greater than anticipated.
5	Grants - Operating (recurrent)	In June 2015 the Commonwealth Government brought forward the payment of half the estimated aggregate 2015-2016 Financial Assistance Grants allocation to Victorian councils which amounted to \$6.29m for Melton. Unbudgeted grants were received for Operations of \$386k and addition unbudgeted grants were received for Family and Children of \$502k and Community Planning of \$324k.
6	Grants - Operating (non-recurrent)	Additional and unbudgeted grants were received for Road Safety Education \$161k, Food Bank Relocation \$386k, Sons of the West \$30k and Community Activation Program of \$72k.
7	Grants - Capital (recurrent)	The budget has allocated Roads to Recovery as non-recurrent capital grants of \$1.2m. Actual received was for two years.
8	Grants - Capital (non-recurrent)	Roads to Recovery actual have been recorded as recurrent capital grants with budget of \$1.2m. There were a number of unbudgeted grants received for the year which includes Boundary Road Sinclair Road Black spot funding of \$1.6m, 5 McKenzie Street Redevelopment \$1.8m and Atherstone Play Space \$812k. Additional amount above budget of \$2.2m was received Pride of Melton Streetscape Improvements.
9	Net gain on disposal of assets	The variance is due the better than anticipated sales of land.
10	Other income	Court recoveries of \$492k have been reported in the actual as Statutory Fees and Charges and Investment Property Rental of \$250k has been included as User Fees in the budget. Interest on investments exceeded budget by \$474k due to larger than anticipated cash holdings and Community Contributions of \$72k towards Turf Wickets were not included in the budget.
11	Recognition of previously unrecognised assets	Previously unrecognised assets not taken into account in preparation of the budget.
12	Fair value adj. for investment. Property	Fair value adjustment for investment property not taken into account in the preparation of the budget.
13	Employee costs	Agency staff costs have been reported as Contract Labour under Materials and Services in the Financial Statements, they were budgeted for at \$1m. Employee salaries were under budget by \$2.2m due to positions not being filled during the year. Due to the unfilled positions, annual leave and superannuation, expenses were under budget by \$892k.
14	Materials and services	Major variances to budget include the reallocation of \$2.8m Capital Budget items due to items not meeting capitalisation requirements and allocation of staff agency costs which had actual expenditure of \$2.1m.
15	Depreciation and amortisation	Due to substantial increases in Road assets over the past two years caused by developer contributions and found assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 BUDGET COMPARISON (CONTINUED)

b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land	-	655	655	1
Land Under Roads	-	96	96	2
Total land	-	751	751	
Buildings	15,247	8,531	(6,716)	3
Total buildings	15,247	8,531	(6,716)	
Total property	15,247	9,282	(5,965)	
Plant and equipment				
Plant, machinery and equipment	1,100	1,009	(91)	
Fixtures, fittings and furniture	75	10	(65)	4
Computers and telecommunications	263	-	(263)	5
Library books	200	221	21	
Total plant and equipment	1,638	1,240	(398)	
Infrastructure				
Roads	5,957	8,615	2,658	6
Bridges	820	14	(806)	7
Footpaths and cycleways	-	1,139	1,139	8
Drainage	417	974	557	9
Recreational, leisure and community facilities	10,547	7,235	(3,312)	10
Car parks	-	296	296	11
Other infrastructure	1,828	-	(1,828)	12
Total infrastructure	19,569	18,273	(1,296)	
Total capital works expenditure	36,454	28,795	(7,659)	
Represented by:				
Asset renewal expenditure	6,146	5,530	(616)	
New asset expenditure	26,071	18,689	(7,382)	
Asset upgrade expenditure	3,477	4,014	537	
Asset expansion expenditure	760	562	(198)	
Total capital works expenditure	36,454	28,795	(7,659)	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 BUDGET COMPARISON (CONTINUED)

(i) Explanation of material variations

VARIANCE REF	ITEM	EXPLANATION
1	Land	Land that has been provided by developer for open space that is over and above requirements under their development agreement for which Council has had to compensate.
2	Land Under Roads	Additional amounts paid by Council for the compulsory acquisition of land for the widening of roads.
3	Buildings	Council office space development budgeted \$6.6m which has not yet commenced.
4	Fixtures, fittings and furniture	Variance is due to items not meeting capitalisation requirements.
5	Computers and telecommunications	Variance is due to items not meeting capitalisation requirements.
6	Roads	Budget did not include works done at Boundary and Sinclair Roads of \$1.4m. Funding for this work was applied for after the budget was completed and is fully funded by the Black spot Funding Program. \$1.5m of road works were completed under the Community Initiative Development Expenditure agreement with Lend Lease for the early delivery of infrastructure in the Atherstone Estate, these works were not included in the budget.
7	Bridges	Budget had allocated \$800k for Abbey Road Bridge but due to protracted land acquisition negotiations project commencement has been delayed.
8	Footpaths and cycleways	Works on shared paths of \$141k is not included in the budgeted figure but the expenditure was approved as a carry forward project from the prior year. New footpaths construction program works of \$398k allocated as Roads in the budget. Footpath works in passive open spaces of \$206k and Bridge Road Reserve Athletic Facility of \$347k were allocated to Recreation in the budget.
9	Drainage	Minns Road Retarding Basin Development had budgeted works of \$300k, these have been expensed due to not meeting capitalisation requirements. Works at Boundary Road and Sinclair Road under the Black Spot Funding grant amounted to \$245k and had no budget as explained under variance reference 6. Works of \$620k at the Bridge Road Reserve Athletics Facility were allocated under Recreation.
10	Recreational, leisure and community facilities	Actual spend of \$206k for Passive Open Spaces and \$347k for Bridge Road have been allocated under Footpaths. Actual spend of \$620k at Bridge Road Reserve Athletics Facility has been allocated to Drainage. \$296k actual spend has been allocated as Car parks. Amounts of \$215k have been expensed due to not meeting capitalisation requirements. \$950k for Community Infrastructure Development Expenditure relating to Entry Park works at Atherstone were not included in the budget.
11	Car parks	There has been works of \$296k that have been allocated as Recreation for the budget.
12	Other infrastructure	Items not meeting capitalisation requirements or reallocated to other asset classes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3 RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and improvements. The valuation base used to calculate general rates for 2015/2016 was \$20,380,903,900 (2014/2015 \$19,860,889,400). The rate in the CIV dollar was:

	2016	2015
General Developed Land	0.0034870	0.0033400
Commercial Developed	0.0055791	0.0053440
Industrial Developed	0.0055791	0.0053440
Rural Living	0.0031383	0.0030060
Retirement Village	0.0029638	0.0028389
Vacant Land	0.0052305	0.0050101
Commercial Vacant Land	0.0069739	0.0066800
Industrial Vacant	0.0069739	0.0066800
Rural	0.0025106	0.0024048
Extractive Land	0.0100424	0.0096193
Urban Growth Land (Included in General Rate 2013/2014)	0.0026152	0.0025050
	2016	2015
	\$'000	\$'000
General	59,931	55,930
Commercial	5,766	8,060
Industrial	5,007	1,910
Rural	2,300	2,173
Municipal charge	6,704	6,295
Garbage charge	10,783	10,255
Supplementary rates and rate adjustments	2,183	1,274
	92,672	85,898

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

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

NOTE 4 STATUTORY FEES AND FINES

	2016	2015
	\$'000	\$'000
Infringements and costs	1,233	1,153
Court recoveries	492	620
Town planning fees	175	92
Land information certificates	123	95
Permits	937	821
Property information requests	405	289
	3,366	3,070

NOTE 5 USER FEES

	2016	2015
	\$'000	\$'000
Leisure centre and recreation	1,486	1,158
Child care/children's program	710	547
Aged and health services	429	431
Registration and other permits	1,120	876
Building services	337	253
Youth program fees	89	80
Infrastructure management fees	-	162
Subdivision fees	1,755	936
Waste management services	1,956	1,952
Other fees and charges	698	646
	8,580	7,040

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6 GRANTS

Grants were received in respect of the following:

	2016 \$'000	2015 \$'000
SUMMARY OF GRANTS		
Commonwealth funded grants	10,847	24,146
State funded grants	19,876	10,117
Others	867	397
Total	31,590	34,660
OPERATING GRANTS		
<i>Recurrent – Commonwealth Government</i>		
Victoria Grants Commission	6,630	18,913
Family and children	1,159	1,373
Other	880	841
<i>Recurrent – State Government</i>		
Aged and disability services	4,188	4,138
Children's services	2,072	1,915
Community support and development	871	844
Environment	83	603
Recreation and leisure	2	-
Community health	116	117
Roads	0	40
Libraries	812	796
Youth Services	55	48
Other	449	228
<i>Other</i>		
Community	330	230
Total recurrent operating grants	17,646	30,087
<i>Non-recurrent – Commonwealth Government</i>		
Environment	-	233
<i>Non-Recurrent – State Government</i>		
Aged and disability services	30	40
Business growth and sustainability	-	2
Children's services	2	45
Community support and development	210	150
Community safety	172	151
Recreation and leisure	-	280
Roads	2	-
Environment	27	24
Family, youth and housing	-	3
Other	98	24
<i>Non-Recurrent – Other</i>		
Community health	13	167
Total non-recurrent – operating grants	554	1,120
Total operating grants	18,200	31,207

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6 GRANTS (CONTINUED)

	2016 \$'000	2015 \$'000
CAPITAL GRANTS		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	2,178	770
Other	8	-
Total recurrent capital grants	2,186	770
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	-	2,015
<i>Non-recurrent - State Government</i>		
Buildings	2,048	668
Drainage	605	-
Recreation	2,142	-
Roads	5,418	-
Other	476	-
<i>Non-recurrent - Other</i>		
Buildings	60	-
Recreation	455	-
Total non-recurrent capital grants	11,204	2,683
Total capital grants	13,390	3,453
Conditions over grants	4,963	1,609
Grants recognised as revenue during the year and which were obtained on the condition that they be expended in a specified manner but had yet to be applied in that manner as at the reporting date were:		
Grants which were recognised as revenues in previous periods and were expended during the current year in the manner specified by the grantor were:	1,609	6,155
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	3,354	(4,546)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7 CONTRIBUTIONS

	2016 \$'000	2015 \$'000
Monetary	19,078	5,979
Non-monetary	59,834	39,275
Total contributions	78,912	45,254
Contributions of non-monetary assets were received in relation to the following asset classes:		
Land	12,686	7,093
Land under roads	2,967	3,520
Buildings	-	2,279
Roads	13,327	10,968
Footpaths	7,748	3,402
Drainage	14,668	9,179
Recreation	-	444
Kerb and Channel	3,470	1,474
Traffic Management	4,967	916

NOTE 8 OTHER INCOME

	2016 \$'000	2015 \$'000
Festival sponsorship	50	32
Program revenue	760	724
Rebates	817	1,196
Investment property rental	252	249
Interest	1,674	1,106
Other	826	1,440
	4,379	4,746

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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

	2016 \$'000	2015 \$'000
Proceeds of sale	7,738	4,024
Written down value of assets disposed	(5,625)	(4,571)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	2,113	(547)

NOTE 10 EMPLOYEE COSTS

	2016 \$'000	2015 \$'000
Wages and salaries	36,064	36,449
WorkCover	1,077	916
Superannuation	3,351	3,332
Casual staff	1,345	1,502
Fringe benefits tax	474	454
Other	740	470
	43,051	43,124

Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	206	208
Employer contributions payable at reporting date	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,145	3,125
Employer contributions payable at reporting date	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11 MATERIALS AND SERVICES

	2016 \$'000	2015 \$'000
Contract payments	28,404	26,833
Maintenance	6,771	10,048
Garbage collection and disposal	2,080	1,940
Consultants	373	283
Contract labour	3,219	2,126
Administrative support	5,825	5,835
Program expenses	3,540	3,570
Professional fees	2,142	2,128
Insurances	946	904
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	66	76
Auditors' remuneration – internal	101	61
Contributions and donations	617	449
Councillors allowances	289	253
Transport and vehicle operations	277	296
Other	1,406	2,123
	56,056	56,926

NOTE 12 DEPRECIATION AND AMORTISATION

	2016 \$'000	2015 \$'000
Property	3,013	2,683
Plant and equipment	1,250	1,534
Infrastructure	20,513	18,607
Intangible assets	327	327
	25,103	23,151

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13 BORROWING COSTS

	2016 \$'000	2015 \$'000
Interest - borrowings	1,422	1,362
	1,422	1,362

NOTE 14 BAD AND DOUBTFUL DEBTS

	2016 \$'000	2015 \$'000
Infringements	354	371
Other	52	32
	406	403

NOTE 15 CASH AND CASH EQUIVALENTS

	2016 \$'000	2015 \$'000
Cash on hand	7	5
Cash at bank	6,691	8,480
Short term investments	70,857	39,283
	77,555	47,768

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

- Reserves (Note 28)	42,597	27,870
- Trust funds and deposits (Note 27)	5,814	3,809
- Fire Services Levy (Note 24)	501	573
Total unrestricted cash and cash equivalents	28,643	15,516

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	20,418	14,400
Total funds subject to intended allocations	20,418	14,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16 TRADE AND OTHER RECEIVABLES

	2016 \$'000	2015 \$'000
<i>Current</i>		
Rates debtors	6,154	5,489
Parking infringement debtors	825	767
Provision for doubtful debts – parking infringements	(497)	(480)
Other debtors	9,451	5,471
Provision for doubtful debts – other debtors	(1,096)	(1,209)
Accrued interest	218	93
	15,055	10,132
<i>Non-current</i>		
Other debtors	-	-
	-	-
Total trade and other receivables	15,055	10,132

a) Ageing of Receivables

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

Current (not yet due)	5,878	3,044
Past due by up to 30 days	1,848	579
Past due between 31 and 180 days	403	653
Past due between 181 and 365 days	435	167
Past due by more than 1 year	1,105	1,121
Total trade & other receivables	9,669	5,564

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	1,209	1,033
New provisions recognised during the year	315	274
Amounts already provided for and written off as uncollectible	(321)	(84)
Amounts provided for but recovered during the year	(108)	(14)
Balance at end of year	1,095	1,209

c) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,593,287 (2015: \$1,688,924) were impaired. The amount of the provision raised against these debtors was \$1,593,287 (2015: \$1,688,924). The individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	1,095	1,209
Total trade & other receivables	1,095	1,209

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17 INVENTORIES

	2016 \$'000	2015 \$'000
<i>Current</i>		
Land for interment purposes	11	89
<i>Non-current</i>		
Land for interment purposes	47	118
Total Inventories	58	207

NOTE 18 LAND CLASSIFIED AS HELD FOR SALE

	2016 \$'000	2015 \$'000
Opening balance	543	142
Transfers to land	-	(18)
Additions	1,003	495
Sales (WDV)	(438)	(76)
Revaluation increment/(decrement)	-	-
Total	1,108	543

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

	Fair Value measurement at the end of the period using(1):			
	Carrying value at 30 June \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Land	1,108	-	1,108	-

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

NOTE 19 OTHER ASSETS

	2016 \$'000	2015 \$'000
<i>Current</i>		
Accrued land sales	2,148	2,568
Total other assets	2,148	2,568

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Summary of property, infrastructure plant and equipment						
Land	379,034	-	379,034	357,550	-	357,550
Buildings	165,407	(35,624)	129,783	155,721	(32,617)	123,104
Plant and Equipment	14,622	(10,665)	3,957	14,897	(10,470)	4,427
Infrastructure	1,442,223	(244,745)	1,197,478	1,033,381	(177,035)	826,346
Work in progress	11,802	-	11,802	8,216	-	8,216
	2,013,088	(291,033)	1,722,055	1,569,765	(220,122)	1,349,643

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Summary of Work in Progress					
Buildings	4,221	134	(1,298)	-	3,057
Plant and Equipment	-	-	-	-	-
Infrastructure	3,995	5,632	(876)	(6)	8,745
Total	8,216	5,766	(2,174)	(6)	11,802

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

LAND AND BUILDINGS	NOTE	LAND – SPECIALISED	LAND – NON-SPECIALISED	LAND UNDER ROADS	TOTAL LAND	BUILDINGS – SPECIALISED	BUILDINGS – NON-SPECIALISED	TOTAL BUILDINGS	WORK IN PROGRESS	TOTAL PROPERTY
At fair value 1 July 2015		234,277	96,334	26,939	357,550	145,943	9,778	155,721	4,221	517,492
Accumulated depreciation at 1 July 2015					-	(32,617)	-	(32,617)		(32,617)
		234,277	96,334	26,939	357,550	113,326	9,778	123,104	4,221	484,875
MOVEMENTS IN FAIR VALUE										
Acquisition of assets at fair value		13,341	-	3,063	16,404	8,397	-	8,397	134	24,935
Revaluation increments/decrements		11,305	(421)	-	10,884	-	-	-	-	10,884
Fair value of assets disposed		-	(2,529)	-	(2,529)	(9)	-	(9)	-	(2,538)
Transfers		(2,280)	(449)	449	(2,280)	(982)	2,280	1,298	(1,298)	(2,280)
Assets available for sale			(995)	-	(995)	-	-	-	-	(995)
		22,366	(4,394)	3,512	21,484	7,406	2,280	9,686	(1,164)	30,006
MOVEMENTS IN ACCUMULATED DEPRECIATION										
Depreciation and amortisation		-	-	-	-	(2,768)	(245)	(3,013)	-	(3,013)
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals		-	-	-	-	6	-	6	-	6
Transfers		-	-	-	-	-	-	-	-	-
		-	-	-	-	(2,762)	(245)	(3,007)	-	(3,007)
At fair value 30 June 2016		256,643	91,940	30,451	379,034	153,349	12,058	165,407	3,057	547,498
Accumulated depreciation at 30 June 2016		-	-	-	-	(35,379)	(245)	(35,624)	-	(35,624)
		256,643	91,940	30,451	379,034	117,970	11,813	129,783	3,057	511,874

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

PLANT AND EQUIPMENT	NOTE	PLANT MACHINERY AND EQUIPMENT	FIXTURES AND FURNITURE	COMPUTERS AND TELECOMMS	LIBRARY BOOKS	TOTAL PLANT AND EQUIPMENT
At fair value 1 July 2015		4,689	645	5,655	3,908	14,897
Accumulated depreciation at 1 July 2015		(2,283)	(632)	(5,383)	(2,172)	(10,470)
		2,406	13	272	1,736	4,427
Movements in fair value						
Acquisition of assets at cost		1,009	11	-	221	1,241
Revaluation increments/ decrements		-	-	-	-	-
Cost of assets disposed		(855)	-	-	(661)	(1,516)
Transfers		-	-	-	-	-
		154	11	-	(440)	(275)
Movements in accumulated depreciation						
Depreciation and amortisation		(825)	(9)	(152)	(265)	(1,251)
Accumulated depreciation of disposals		575	-	-	481	1,056
Transfers		-	-	-	-	-
		(250)	(9)	(152)	216	(195)
At fair value 30 June 2016		4,843	656	5,655	3,468	14,622
Accumulated depreciation at 30 June 2016		(2,533)	(641)	(5,535)	(1,956)	(10,665)
		2,310	15	120	1,512	3,957

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

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

INFRASTRUCTURE	NOTE	ROADS	BRIDGES	FOOTPATHS	DRAINAGE
At fair value 1 July 2015		447,632	15,786	106,579	280,212
Accumulated depreciation at 1 July 2015		(60,462)	(5,356)	(27,160)	(40,358)
		387,170	10,430	79,419	239,854
MOVEMENTS IN FAIR VALUE					
Acquisition of assets at fair value		17,948	-	8,883	15,639
Revaluation increments/decrements		281,090	-	-	51,622
Fair value of assets disposed		(112)	(97)	(361)	(661)
Previously unrecognised assets		17,166	-	-	-
Transfers		2,992	-	369	71
Assets available for sale		-	-	-	-
		319,084	(97)	8,891	66,671
MOVEMENTS IN ACCUMULATED DEPRECIATION					
Depreciation and amortisation		(10,308)	(215)	(1,733)	(3,064)
Accumulated depreciation of disposals		(45)	-	140	94
Revaluation increments/decrements *		(35,483)	-	-	(9,182)
Previously unrecognised assets		(2,526)	-	-	-
Transfers		(428)	-	-	-
		(48,700)	(215)	(1,593)	(12,152)
At fair value 30 June 2016		766,716	15,689	115,470	346,883
Accumulated depreciation at 30 June 2016		(109,162)	(5,571)	(28,753)	(52,510)
		657,554	10,118	86,717	294,373

* Changes in accounting estimates of Roads has resulted in an increase in the valuation of \$205,701,526. The valuation of Road assets includes the value of construction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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

RECREATION	KERB AND CHANNEL	TRAFFIC MANAGEMENT	CAR PARKS	OTHER INFRASTRUCTURE	WORK IN PROGRESS	TOTAL INFRASTRUCTURE
39,943	78,663	55,884	5,915	2,767	3,995	1,037,376
(18,260)	(16,442)	(5,646)	(2,158)	(1,193)		(177,036)
21,683	62,221	50,238	3,757	1,574	3,995	860,340
 						
5,153	3,794	5,093	296	-	5,632	62,438
-	-	-	-	-	-	332,712
(157)	(1)	(37)	-	-	(6)	(1,432)
-	-	-	-	-	-	17,166
47	21	84	-	-	(876)	2,708
-	-	-	-	-	-	-
5,043	3,814	5,140	296	-	4,750	413,592
 						
(2,209)	(1,416)	(1,196)	(280)	(92)	-	(20,513)
141	-	2	-	-	-	422
-	-	-	-	-	-	(44,665)
-	-	-	-	-	-	(2,526)
-	-	-	-	-	-	(428)
(2,068)	(1,416)	(1,194)	(280)	(92)	-	(67,710)
44,986	82,477	61,024	6,211	2,767	8,745	1,450,968
(20,328)	(17,858)	(6,840)	(2,438)	(1,285)	-	(244,746)
24,658	64,619	54,184	3,773	1,482	8,745	1,206,222

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

Valuation of land and buildings

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – non-specialised	-	91,940	-
Land – specialised	-	-	287,094
Buildings – non-specialised	-	11,813	-
Buildings – specialised	-	-	117,970
Total	-	103,753	405,064

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Assetic Pty Ltd.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	657,554
Bridges	-	-	10,118
Footpaths	-	-	86,717
Drainage	-	-	294,373
Recreation	-	-	24,658
Kerb and channel	-	-	64,619
Traffic management	-	-	54,184
Car parks	-	-	3,773
Other infrastructure	-	-	1,482
Total	-	-	1,197,478

Description of significant unobservable inputs into level 3 valuations

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

	2016 \$'000	2015 \$'000
Reconciliation of specialised land		
Land under roads	30,451	26,939
Parks and reserves	256,643	234,277
Total specialised land	287,094	261,216

NOTE 21 INVESTMENT PROPERTY

Opening balance	6,000	6,000
Transfers to land and buildings	-	-
Additions	-	-
Revaluation increment/(decrement)	617	-
Total	6,617	6,000

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

NOTE 22 FINANCIAL ASSETS

	2016 \$'000	2015 \$'000
Unlisted shares - Regional Kitchen Pty Ltd	1,349	1,390

NOTE 23 INTANGIBLE ASSETS

Non-exclusive licences		
- Caroline Springs College Creekside Campus	648	748
- Springside Children's and Community Centre	1,365	1,437
- Kororoit Creek Early Learning Centre	2,325	2,480
	4,338	4,665

- 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 2016 \$'000	Total 2016
Gross carrying amount		
Balance at 1 July 2014	6,540	6,540
Additions	-	-
Balance at 1 July 2015	6,540	6,540
Additions	-	-
Balance at 30 June 2016	6,540	6,540

Accumulated amortisation and impairment		
Balance at 1 July 2014	(1,548)	(1,548)
Amortisation expense	(328)	(328)
Balance at 1 July 2015	(1,876)	(1,876)
Amortisation expense	(328)	(328)
Balance at 30 June 2016	(2,204)	(2,204)
Net book value at 30 June 2015	4,664	4,664
Net book value at 30 June 2016	4,336	4,336

NOTE 24 TRADE AND OTHER PAYABLES

	2016 \$'000	2015 \$'000
Trade payables	5,034	5,103
Accrued expense	8,663	10,063
	13,697	15,166

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 25 PROVISIONS

	Annual leave \$'000	Long service leave \$'000
2016		
Balance at beginning of the financial year	3,244	6,668
Additional provisions	3,070	1,313
Amount used	(3,137)	(931)
Balance at the end of the financial year	3,177	7,050
2015		
Balance at beginning of the financial year	3,047	5,921
Additional provisions	2,804	1,054
Amount used	(2,607)	(307)
Balance at the end of the financial year	3,244	6,668
	2016 \$'000	2015 \$'000
Current provisions expected to be settled within 12 months		
Annual leave	2,342	2,363
Long service leave	441	394
	2,783	2,757
Current provisions expected to be settled after 12 months		
Annual leave	835	881
Long service leave	5,118	4,934
	5,953	5,815
Total current provisions	8,736	8,572
Non-current		
Long service leave	1,491	1,340

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

	2016 \$'000	2015 \$'000
Weighted average increase in employee costs	4.13%	4.44%
Weighted average discount rates	1.99%	3.03%
Weighted average settlement period	144mths	144mths

NOTE 26 INTEREST BEARING LIABILITIES

	2016 \$'000	2015 \$'000
<i>Current</i>		
Loans – secured	6,915	7,262
	6,915	7,262
<i>Non-current</i>		
Loans – secured	22,153	21,218
	22,153	21,218
Total interest-bearing liabilities	29,068	28,480

The maturity profile for Council's borrowings is:

	2016 \$'000	2015 \$'000
Not later than one year	6,915	7,262
Later than one year and not later than five years	11,479	13,293
Later than five years	10,674	7,925
	29,068	28,480

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 27 TRUST FUNDS AND DEPOSITS

	2016 \$'000	2015 \$'000
<i>Current</i>		
Refundable deposits	1,919	1,257
Construction retention monies	173	275
	2,092	1,532
<i>Non-current</i>		
Refundable deposits	3,896	2,552
Other	-	-
	3,896	2,552
	5,987	4,084

Purpose and nature of items

Refundable deposits

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

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

NOTE 28 RESERVES

	2016 \$'000	2015 \$'000
(a) Asset revaluation reserve		
Balance at beginning of reporting period	453,193	454,711
Increment (decrement)	298,931	(1,518)
Balance at end of reporting period	752,124	453,193
(b) Other reserves		
Balances		
Street trees/drainage *	864	842
Community infrastructure *	41,733	26,703
Asset replacement	2,304	1,444
Perpetual maintenance	121	118
Public art	230	279
Available for sale financial assets	289	330
Conditional grants *	-	325
Defined benefit call	344	335
Total other reserves	45,885	30,376
Total reserves	798,009	483,569

* Restricted reserves

Movements

Asset revaluation reserve	Opening balance \$'000	Movement \$'000	Closing balance \$'000
Net movement in asset valuations			
Land	215,471	10,884	226,355
Buildings	58	-	58
Roads*	150,059	245,607	395,666
Bridges	5,023	-	5,023
Drains	80,990	42,440	123,430
Recreation	913	-	913
Other	679	-	679
Total	453,193	298,931	752,124

* Changes in accounting estimates of Roads has resulted in an increase in the valuation of \$205,701,526. The valuation of Road assets includes the value of construction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 28 RESERVES CONTINUED

	2016 \$'000	2015 \$'000
STREET TREES/DRAINAGE		
<i>Developer contributions for provision of drainage assets and street beautification</i>		
Balance at beginning of the financial year	842	822
Transfer from accumulated surplus	22	20
Transfer to accumulated surplus	-	-
Balance at end of the financial year	864	842

	2016 \$'000	2015 \$'000
COMMUNITY INFRASTRUCTURE		
<i>Provision of community infrastructure in developing subdivisions</i>		
Balance at beginning of the financial year	26,703	24,091
Transfer from accumulated surplus	29,386	12,638
Transfer to accumulated surplus	(14,356)	(10,026)
Balance at end of the financial year	41,733	26,703

	2016 \$'000	2015 \$'000
ASSET REPLACEMENT		
<i>Provision for ongoing replacement of plant and equipment</i>		
Balance at beginning of the financial year	1,444	1,685
Transfer from accumulated surplus	1,492	1,503
Transfer to accumulated surplus	(632)	(1,744)
Balance at end of the financial year	2,304	1,444

	2016 \$'000	2015 \$'000
PERPETUAL MAINTENANCE		
<i>Provision for cemetery perpetual maintenance</i>		
Balance at beginning of the financial year	118	115
Transfer from accumulated surplus	3	3
Transfer to accumulated surplus	-	-
Balance at end of the financial year	121	118

	2016 \$'000	2015 \$'000
PUBLIC ART RESERVE		
<i>Provision for public art</i>		
Balance at beginning of the financial year	279	136
Transfer from accumulated surplus	8	158
Transfer to accumulated surplus	(57)	(15)
Balance at end of the financial year	230	279

	2016 \$'000	2015 \$'000
AVAILABLE FOR SALE FINANCIAL ASSETS		
<i>Provision for movements in available for sale financial assets (Regional Kitchen Refer 22)</i>		
Balance at beginning of the financial year	330	250
Gain taken to equity	-	80
Loss taken to equity	(41)	-
Balance at end of the financial year	289	330

	2016 \$'000	2015 \$'000
CONDITIONAL GRANTS		
<i>Provision for conditional grants</i>		
Balance at beginning of the financial year	325	6,018
Transfer from accumulated surplus	-	462
Transfer to accumulated surplus	(325)	(6,155)
Balance at end of the financial year	-	325

	2016 \$'000	2015 \$'000
DEFINED BENEFIT CALL		
<i>Provision for defined benefit call</i>		
Balance at beginning of the financial year	335	328
Transfer from accumulated surplus	9	7
Transfer to accumulated surplus	-	-
Balance at end of the financial year	344	335

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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

	2016 \$'000	2015 \$'000
SURPLUS FOR THE YEAR	107,141	51,611
Depreciation and amortisation	25,103	23,151
Contributions – non-monetary assets	(59,834)	(39,275)
(Profit)/loss on disposal property, infrastructure, plant and equip.	(2,113)	547
Fair value adjustments for investment property	(617)	-
Recognition of previously unrecognised non-current assets	(14,639)	-
CHANGE IN ASSETS AND LIABILITIES		
(Increase)/decrease in rate debtors	(665)	(302)
(Increase)/decrease in other receivables	(4,259)	790
(Increase)/decrease in other assets	420	(1,673)
(Increase)/decrease in land held for resale	(565)	(401)
Increase/(decrease) in payables	(1,469)	3,900
Increase/(decrease) in trust funds	1,904	(642)
Increase/(decrease) in provisions and other payables	314	941
(Increase)/decrease in inventories	149	89
Net cash provided by operating activities	50,869	38,736

NOTE 30 FINANCING ARRANGEMENTS

	2016 \$'000	2015 \$'000
Bank overdraft	1,900	1,900
Used facilities	-	-
Unused facility	1,900	1,900

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

NOTE 31 SUPERANNUATION

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

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% required under Superannuation Guarantee legislation).

Defined benefit

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

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

Funding arrangements

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Melton City Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 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 2015 interim actuarial investigation conducted by the Fund's Actuary, Melton City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate. In addition, Melton City Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

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

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

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

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

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

2015 Interim actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Melton City Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

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

Melton City Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$383,230.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 32 COMMITMENTS

The Council has entered into the following commitments

2016	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
OPERATING					
Garbage and recycling collection	6,163	6,346	5,170	-	17,679
Health services and cleaning services	1,562	64	-	-	1,626
Corporate services	494	342	117	-	953
Parks maintenance services	5,760	5,843	18,483	10,302	40,388
Road maintenance	5,623	5,790	14,816	5,092	31,321
Recycling facility operations	2,265	1,892	-	-	4,157
Leisure services	54	69	357	-	480
IT services	1,177	798	798	-	2,773
Total	23,098	21,144	39,741	15,394	99,377
CAPITAL					
Roads	7,239	-	-	-	7,239
Computers and telecomms	64	26	21	-	111
Buildings	1,290	-	-	-	1,290
Recreational	1,480	-	-	-	1,480
Total	10,073	26	21	-	10,120
2015					
2015	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
OPERATING					
Garbage and recycling collection	5,603	5,818	9,998	-	21,419
Health services and cleaning services	778	305	-	-	1,083
Corporate services	422	428	377	-	1,227
Parks maintenance services	6,077	-	-	-	6,077
Road maintenance	5,523	1,090	1,090	-	7,703
Recycling facility operations	1,829	1,956	1,956	-	5,741
Leisure services	157	-	-	-	157
IT services	445	691	-	-	1,136
Social	185	-	-	-	185
Total	21,019	10,288	13,421	-	44,728
CAPITAL					
Computers and telecomms	100	64	-	-	164
Buildings	3,380	-	-	-	3,380
Recreational	7,191	-	-	-	7,191
Total	10,671	64	-	-	10,735

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 33 OPERATING LEASES

	2016 \$'000	2015 \$'000
(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	414	399
Later than one year and not later than five years	431	89
Later than five years	-	-
	844	488

(b) Operating lease receivables		
The Council has entered into commercial property leases on its investment property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	276	173
Later than one year and not later than five years	1,105	86
Later than five years	217	68
	1,598	328

NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

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

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

Contingent assets

Developer contributions to be received in respect of estates currently under development is in the range of \$60m to \$65m (2014/2015, \$50m to \$55m).

NOTE 35 FINANCIAL INSTRUMENTS

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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

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

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

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

(c) Credit risk

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

To help manage this risk:

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 31, and is deemed insignificant based on prior periods' data and current assessment of risk. There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

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

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

e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 2.73%. These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 36 RELATED PARTY TRANSACTIONS

(i) Responsible Persons

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

Councillors

Councillor Kathy Majdlik (*Mayor 27 October 2015 – current*)
Councillor Renata Cugliari
Councillor Sophie Ramsey (*Mayor 28 October 2014 – 27 October 2015*)
Councillor Bob Turner
Councillor Nola Dunn
Councillor Myles Bentley
Councillor Lara Carli

Chief Executive Officer

Kelvin Tori

(ii) Remuneration of Responsible Persons

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

	2016 No.	2015 No.
\$1 – \$9,999	-	1
\$10,000 – \$19,999	-	2
\$30,000 – \$39,999	5	4
\$40,000 – \$49,999	1	1
\$80,000 – \$89,999	1	1
\$340,000 – \$349,999	-	1
\$360,000 – \$369,999	1	-
	8	10
Total remuneration for the reporting year for Responsible Persons included above amounted to:	639	626

(iii) Senior officers remuneration

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

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$139,000.

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

Income range:	2016 No.	2015 No.
136,000 to \$139,999	-	-
140,000 to \$149,999	1	1
150,000 to \$159,999	7	11
160,000 to \$169,999	7	5
170,000 to \$179,999	2	-
240,000 to \$249,999	-	3
250,000 to \$259,999	3	-
	20	20

	2016 \$'000	2015 \$'000
Total remuneration for the reporting period for Senior officers included above, amounted to:	3,499	3,219

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$0 (2014/2015: \$0).

(v) Loans to responsible persons

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

(vi) Transactions with responsible persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2015/16: Nil).

NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE

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

MELTON CITY COUNCIL FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL REPORT

Certification of the Financial Statements

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



Thurairajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 12 September 2016

In our opinion the accompanying financial statements present fairly the financial transactions of Melton City Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

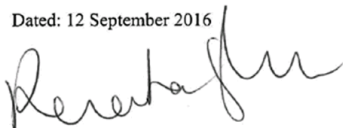
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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. Kathy Majdlik
Mayor

Dated: 12 September 2016



Cr. Renata Cugliari
Deputy Mayor

Dated: 12 September 2016



Kelvin Tori
Chief Executive Officer

Dated: 12 September 2016

MELTON CITY COUNCIL FINANCIAL REPORT

AUDITOR-GENERAL'S REPORT ON THE FINANCIAL REPORT



INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melton City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Melton City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report.

The Councillors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

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

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

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

MELTON CITY COUNCIL FINANCIAL REPORT

AUDITOR-GENERAL'S REPORT ON THE FINANCIAL REPORT

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Melton City Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
16 September 2016


Dr Peter Frost
Acting Auditor-General

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Check them out!

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





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

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

**Caroline Springs Civic
Centre and Library**
193 Caroline Springs
Boulevard, Caroline
Springs
T 03 9747 7200
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