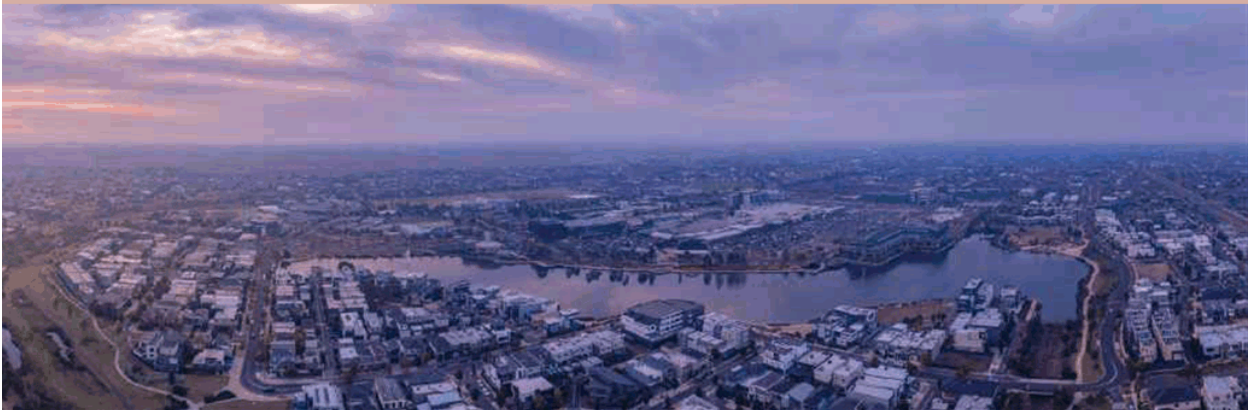


—  
2019/2020

# Melton City Council Annual Report



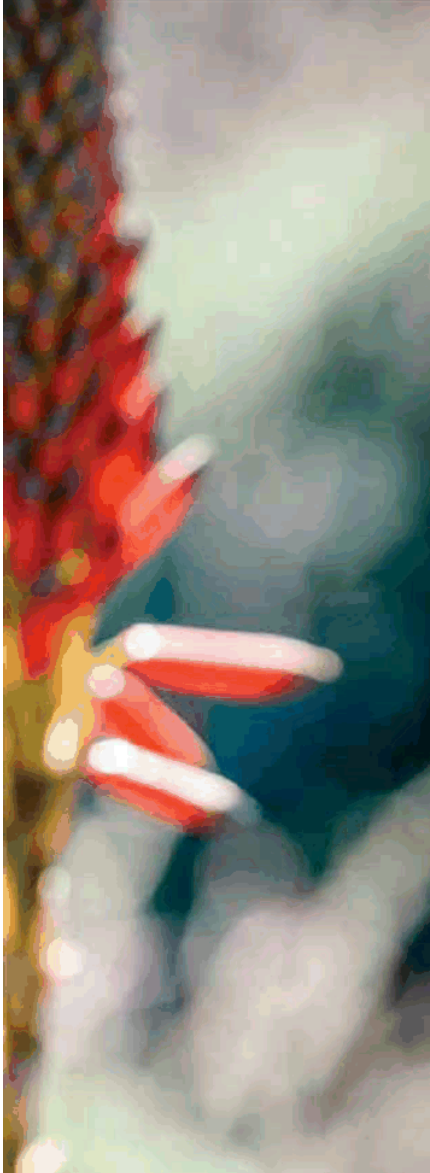
A thriving community  
where everyone belongs





### **Acknowledgement of Traditional Owners**

Melton City Council acknowledges the traditional custodians of the land, the Kulin Nation. The City celebrates its rich Indigenous history, the diversity of its people and their important ongoing connections to Country. We acknowledge the past injustices faced by our First Peoples and are committed to playing our part in ensuring that these injustices are not repeated. We appreciate that we still have a long journey ahead of us.



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## Where is the City of Melton?

The City of Melton is one of Australia's fastest growing municipalities in one of the country's fastest growing regions.

It boasts modern housing developments, international award winning wineries, fantastic eateries, and world-class golf and sporting facilities.

### Our offices

**Melton Civic Centre**  
232 High Street,  
Melton

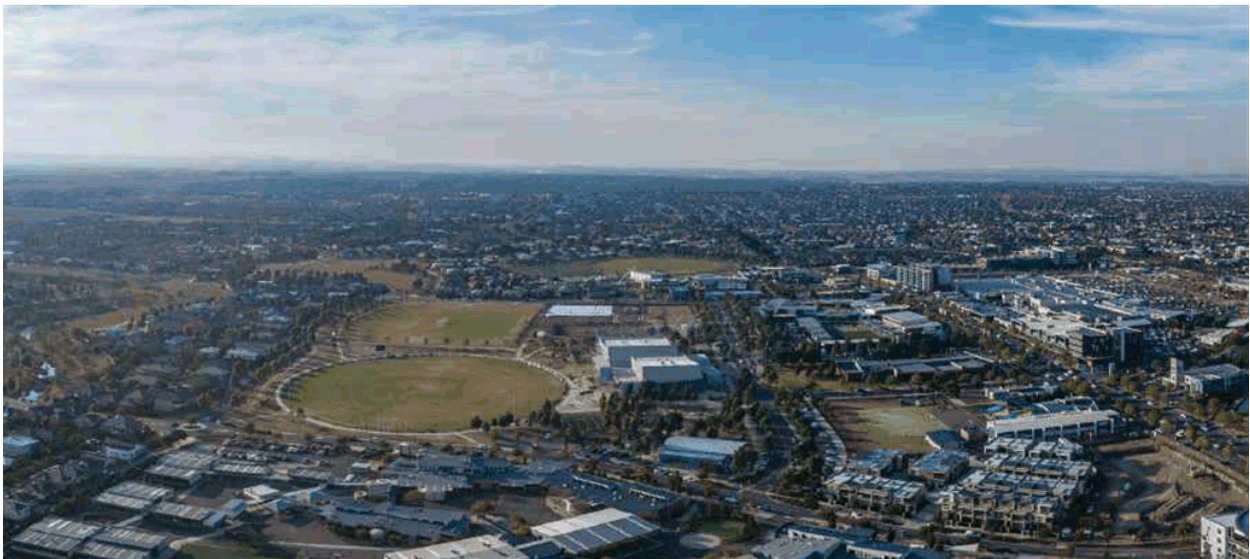
**Melton Library  
and Learning Hub**  
31 McKenzie Street,  
Melton

**Caroline Springs  
Library and  
Learning Hub**  
193 Caroline Springs  
Boulevard,  
Caroline Springs

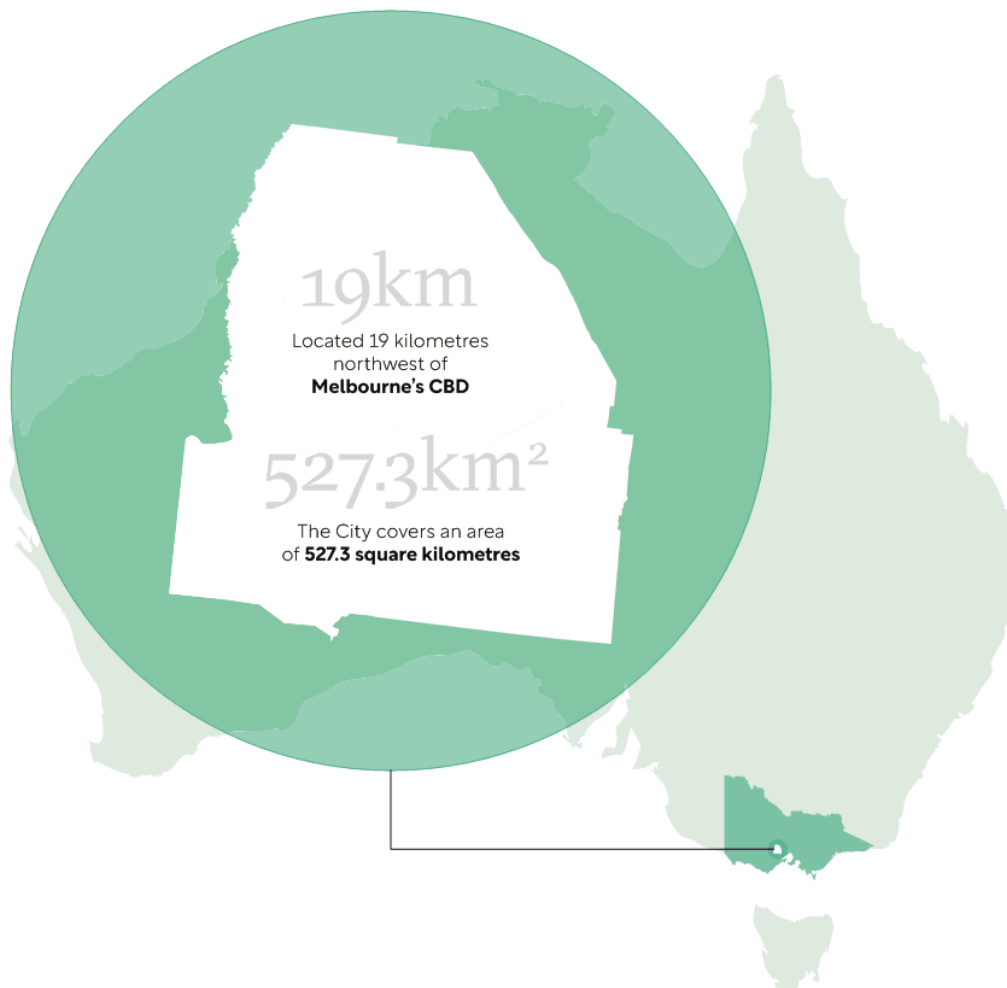
Hours: 8.30am – 5pm  
Phone: 03 9747 7200

PO Box 21 Melton  
Victoria 3337  
ABN 22 862 073 889

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







# City of Melton Snapshot

## Growth



The City of Melton was the **third fastest growing** municipality in Victoria.

2,360

**The Rockbank - Mount Cottrell** area increased by 2,360 people or 36.6 per cent

2,076

**Melton South** increased by 2,076 people or 7.3 per cent

65,136

**Rateable properties** as at 30 June 2020



5.2%

Estimated **annual growth rate**



49

**Babies born** in the City of Melton each week

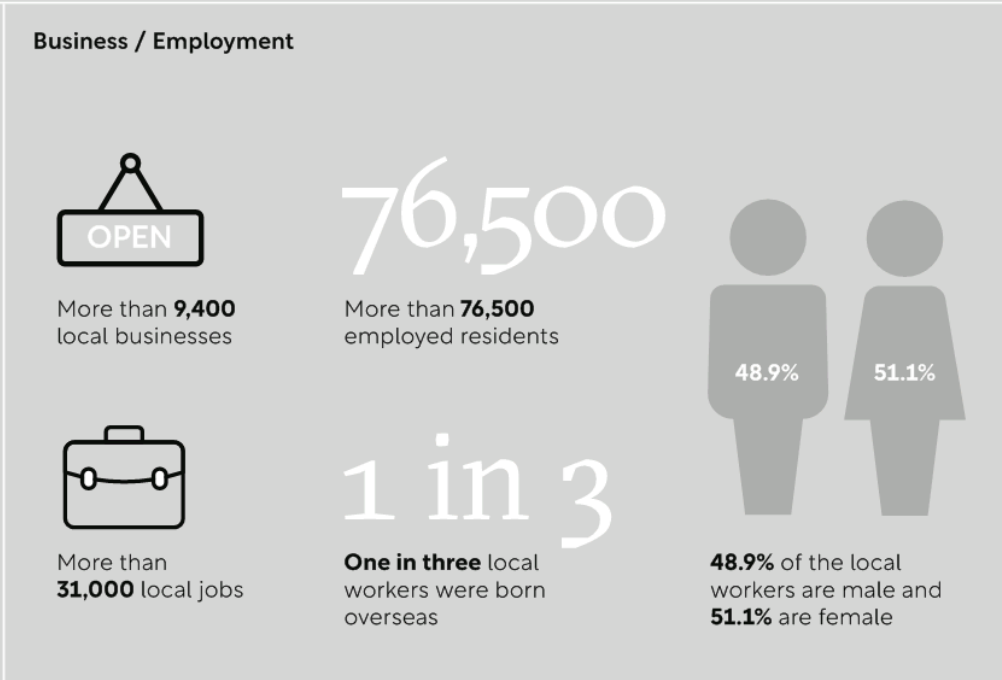
173,072

**Population** as at 30 June 2020

seven

**Families moving into** the City of Melton each day





# Welcome and Introduction

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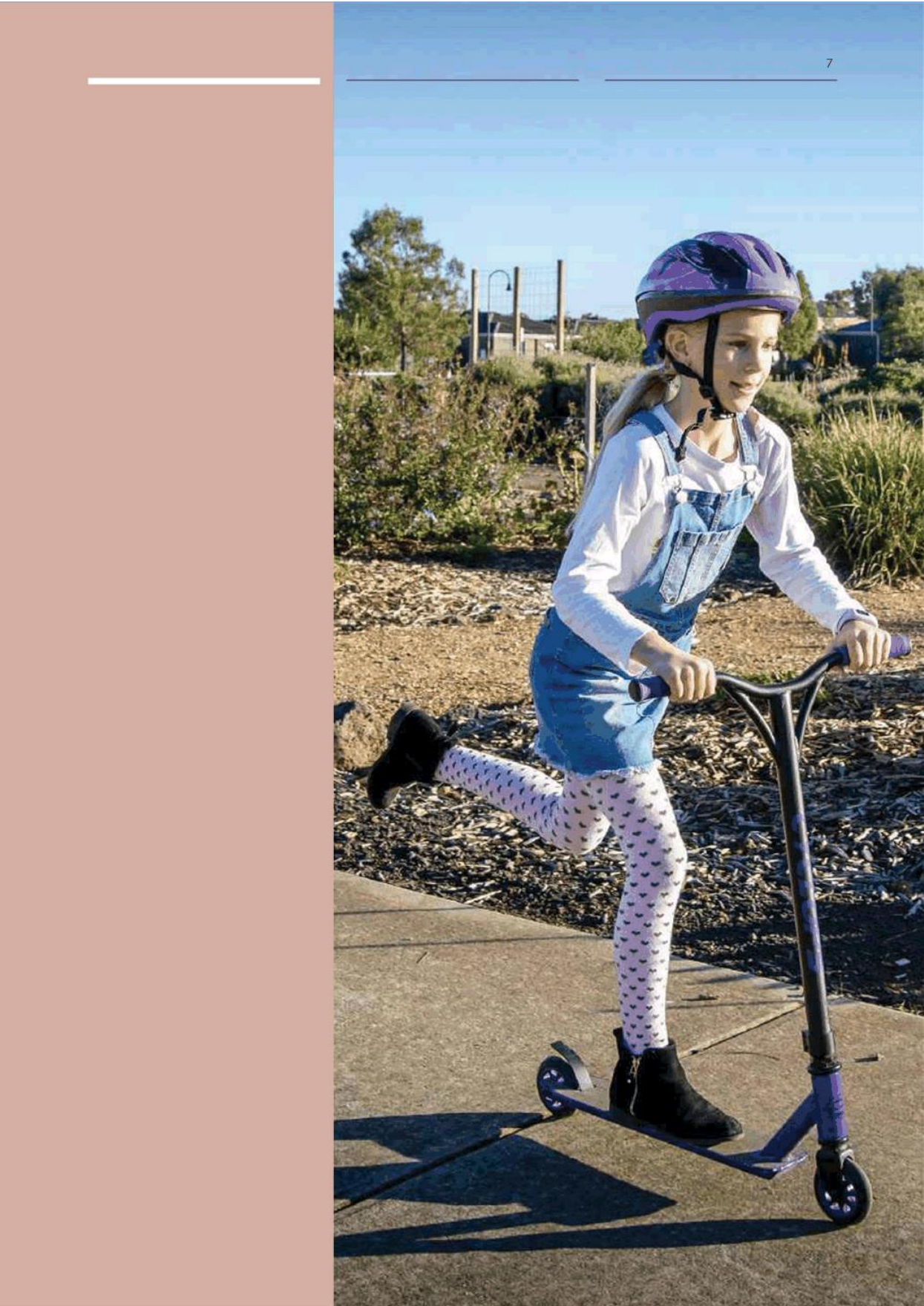
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# Welcome and Introduction to the City of Melton Annual Report for 2019-2020

## Welcome

### Welcome to Melton City Council's 2019/2020 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). Please note that while a new *Local Government Act 2020* was given royal assent on 24 March 2020, this Annual Report is required to meet the provisions of Section 131 of the 1989 Act.

## Themes

**Theme 1:** A proud, inclusive and safe community

**Theme 2:** A thriving and resilient natural environment

**Theme 3:** A well planned and built City

**Theme 4:** A strong local economy and a lifelong learning City

**Theme 5:** A high performing organisation demonstrating leadership and advocacy

## Vision

A thriving community where everyone belongs

## Mission

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

## Our Values

### Continuous improvement

We encourage and support innovation and creativity

We commit to driving continuous improvement

We constantly review what we do

We embrace and respond to change as it occurs

We strive to deliver the best possible outcomes

### Recognition

We recognise and encourage the contributions of others

We actively support and promote our colleagues

We acknowledge and reward employees exceeding performance expectations

We give credit where credit is due

We celebrate success

### Accountability

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

We take responsibility for our personal decisions and actions

We adhere to policies and procedures

We make the best use of our time and resources

We all take responsibility for the way we treat each other

### Fairness

We show respect when speaking to and about others

We build trusting and productive relationships

We deal with others fairly and consistently

We actively listen and respond appropriately

We respect all people and celebrate our diversity

### Teamwork

We help each other to achieve organisational goals

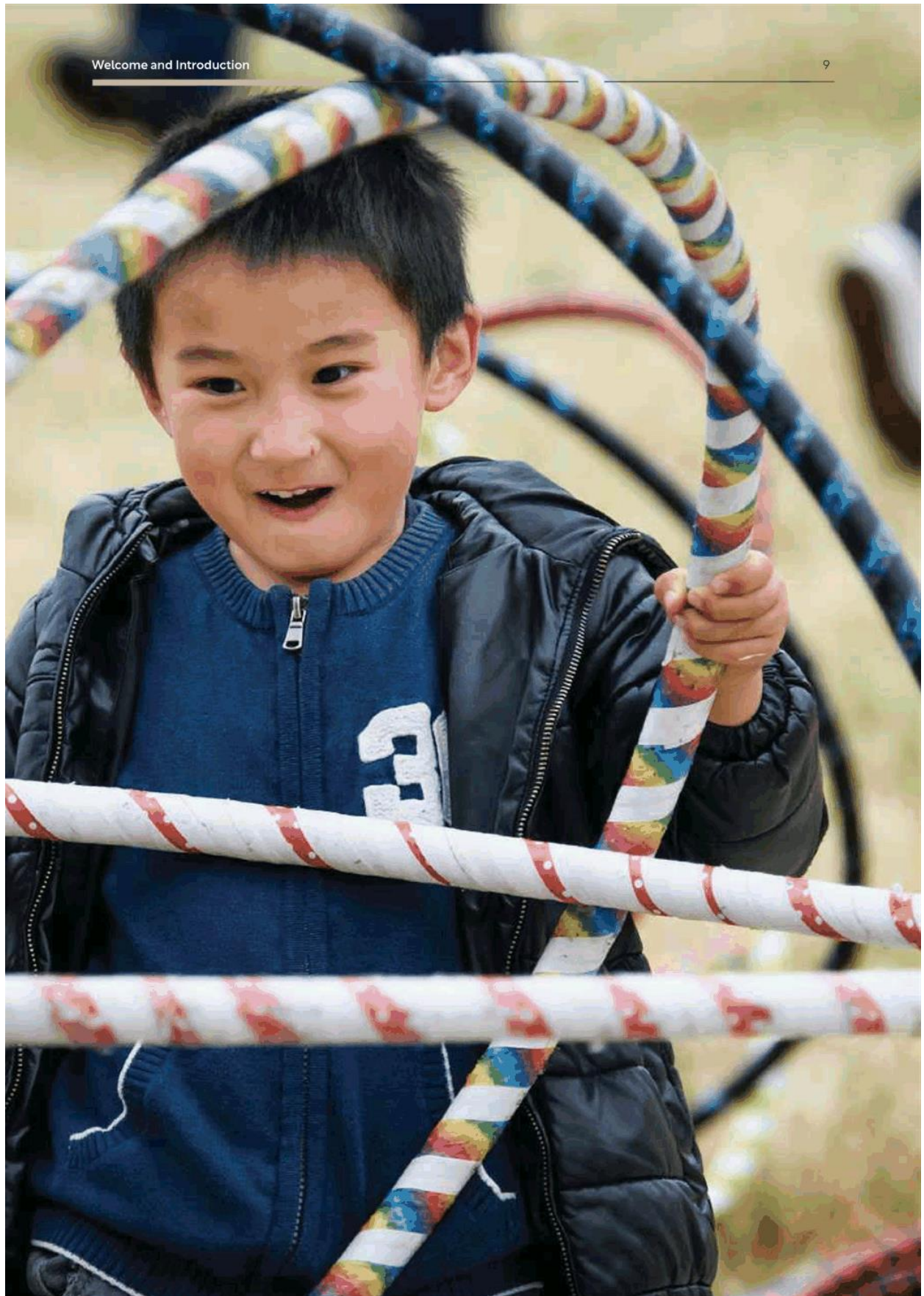
We involve team members in solving problems and decision-making

We encourage everyone's contribution to the team

We communicate clearly, openly and respectfully

We provide positive, constructive and timely feedback





## Message from the Mayor



**Cr Lara Carli**  
Mayor  
City of Melton

### It gives me great pleasure to present Melton City Council's 2019/2020 Annual Report.

Over the last 12 months, Council delivered a significant capital works program full of exciting new community centres, playgrounds, recreation facilities and important road upgrades to help make the City of Melton an even better place to live and raise a family.

Highlights included the completion of Timbertop and Fraser Rise Children's and Community Centres, construction of the intersection at Ferris Road and Hollingsworth Drive, the replacement of the Melton Central Community Centre with a brand new integrated facility, an extension to the Diggers Rest Kindergarten, extending and upgrading the Caroline Springs Community Pavilion and the construction of new playspaces at Arbour Boulevard, Bloomsbury Drive Reserve and Morton Homestead.

These exciting projects complement more than 100 community services Council offers, like maternal and child health, social support groups for older residents, programs for teens, and community events including Djerriwarrh Festival, Carols by Candlelight and Australia Day. Throughout the year we also held arts exhibitions, a highly successful business summit, celebrated Harmony Day and International Women's Day.

In terms of ensuring that our local communities are well planned and meet the future needs of our growing municipality, Council has developed both the Cobblebank Employment and Mixed Use Urban Design Framework, and the Cobblebank Metropolitan Activity Centre Urban Design Framework, along with the Rockbank Town Centre Framework. These major documents will ensure that these communities are developed in an integrated way, and will include the infrastructure and

services needed to ensure the liveability of these thriving, growing communities. We also take the management of our natural environment very seriously and, as such, have not only prepared our Environmentally Sustainable Design guidelines, but also commenced work on Stage 2 of the Melton Recycling Facility redevelopment project.

Many Council projects were recognised for their innovation and excellence throughout the year, with Council taking out the People's Choice Awards at the Stormwater Victoria Awards for Excellence and receiving a commendation for the City Vista Sports Precinct Partnership Project from the National Growth Areas Alliance Recognising Excellence and Innovation Awards.

Of course, the last few months of the 2019/20 financial year proved very challenging, as we navigated our way through the COVID-19 pandemic. The wellbeing of our community is paramount for Council, and I would like to acknowledge the way in which the organisation worked diligently to reimagine programs and services, so residents could continue to access the programs and services they need to lead healthy and happy lives.

On behalf of my fellow Councillors, I would like to take this opportunity to thank our residents for their support over the past 12 months, and our Executive Team and staff for the delivery of the quality services they provide to our community.



## Message from the Chief Executive Officer



**Kelvin Tori**  
Chief Executive Officer  
Melton City Council



On behalf of Melton City Council, I am pleased to present this Annual Report which outlines our organisational performance in 2019/2020.

On behalf of Melton City Council, I am pleased to present this Annual Report which outlines our organisational performance in 2019/2020.

During the first half of this financial year the City of Melton experienced a strong rate of population growth. However, with the onset of the COVID-19 pandemic in early 2020, the rate slowed, as did the level of housing construction.

The COVID-19 pandemic has had a significant impact on Council revenue, including from land sales at Council's joint venture development, Atherstone. Despite this, Council remains in a strong financial position, with significant cash reserves, low debt and cost containment placing us in a strong position for recovery.

Throughout the year we continued to deliver an impressive range of community services despite the challenges presented by coronavirus. Forced closures of a number of facilities and programs meant that Council focused on the delivery of essential services and pivoted to online programming, wherever possible.

Despite the COVID-19 pandemic, we were able to deliver on our commitment to complete several major infrastructure projects, including Stage 1 of the MacPherson Park redevelopment, Fraser Rise and Timbertop Children's and Community Centres, the Melton Central Community Centre and an upgrade to Caroline Springs Community Pavilion. In addition Council commenced construction of the six-court Cobblebank Indoor Stadium, a \$31 million project, funded from proceeds of land sales at Atherstone.

Organisationally, a number of changes occurred to better equip Council to meet the challenges of growth, and changes in government direction and policy. Our Executive Team was expanded to five with the creation of an Executive Manager Property and Projects role, and we created a Waste and Environment unit to address the substantial challenges that exist around waste management and environmental sustainability.

Our Business Transformation Project delivered increased benefits in efficiency by streamlining processes that enable customers to do more business with Council online. This project was also instrumental in facilitating Council staff quickly moving to remote working arrangements, and online delivery of many of the services that could no longer be delivered in person due to the restrictions imposed in response to the pandemic.

A number of staff were seconded to business units experiencing a steep increase in workload due to COVID-19. I would like to commend staff for the way in which they rose to the challenges presented by the pandemic, and for their collective preparedness to be flexible and agile in their approach to serving our community.

Pleasingly, the performance measures from the annual household survey, conducted by independent consultants, achieved very strong results and indicated the community's general satisfaction with Council's performance across all sectors; something I know we are all extremely proud of.

In closing, I extend my sincere appreciation to all staff and Councillors for their commitment to the City of Melton community, and for their significant contribution to enhancing the lives of our residents, particularly in light of the challenges that the pandemic presented us with.

# Highlights for 2019/2020

## Theme 1

**A proud, inclusive and safe community**



### STRATEGIC OUTCOME

**A City of people leading happy and healthy lives**

- Timbertop Children's and Community Centre has been licenced to operate Kindergarten and Long Day Care services. Fraser Rise has been licenced to operate Kindergarten and Occasional Care. Services at Fraser Rise and Timbertop commenced from Term 1, 2020.
- The City of Melton Youth Awards and Grants Program was delivered, however due to COVID-19 the awards ceremony was cancelled (more information can be found under the "Our Community" section of the Annual Report).
- Citizenship conferred to 2,181 residents
- The Melton Community Achievement Awards were announced at an awards ceremony in November 2019 (more information can be found under the "Our Community" section of the Annual Report).
- The Melton City Council Sports Awards event was delivered with approximately 150 people in attendance (more information can be found under the "Our Community" section of the Annual Report).

## Theme 2

**A thriving and resilient natural environment**



### STRATEGIC OUTCOME

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

- Council adopted a new Waste Diversion and Education Strategy aimed at kerbside resource recovery increasing to 75% in the next five years.
- Council continued to support local environmental groups and schools through the delivery of a range of environmental programs and activities.

### Theme 3

**A well planned and built City**



**STRATEGIC OUTCOME**

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

- The Cobblebank Metropolitan Activity Centre Urban Design Framework (previously named Toolern Town Centre Urban Design Framework) was adopted by Council at the Ordinary Council Meeting of 9 December 2019.
- The Toolern Employment Area Urban Design Framework was adopted by Council at the Ordinary Council Meeting of 9 December 2019.
- Stage 1A works of the Eynesbury Active Open Space precinct have been completed.
- Construction of the City Vista sports precinct was completed.

### Theme 4

**A strong local economy and a lifelong learning City**



**STRATEGIC OUTCOME**

**A City rich in local employment and education opportunities**

- The 2019 Business Excellence Awards were held on 30 August. Record numbers of applications were received and the gala dinner was attended by over 400 guests (more information can be found under the "Our Community" section of the Annual Report).
- Djerriwarrh Festival and Carols by Candlelight 2019 were both successfully delivered.
- The strategy, Creative Melton 2030: A Vision for Libraries and Arts and 2-year Action Plan were endorsed at the Ordinary Meeting of Council on 9 December 2019.

### Theme 5

**A high performing organisation demonstrating leadership and advocacy**



**STRATEGIC OUTCOME**

**An organisation operating with innovation, transparency, accountability and sustainability**

- Council's advocacy priorities were updated, and Council's Advocacy Priorities booklet and supporting factsheets were completed and launched in December 2019.

## Introduction to the Annual Report



**The year in review** (page 18) provides an overview of our operations in 2019/2020. It includes a summary of how we spent your rates, a financial summary for the year and information about our sustainability, our challenges and the future, our community satisfaction survey, an events calendar and awards received by the City of Melton.

**Our City** (page 32) provides information about the City of Melton, our Councillors and the workings of Council.

**Our Community** (page 46) provides information about community awards, volunteers and community grants.

**Our People** (page 58) provides information about the organisation, its leaders, our employees and our organisational culture. It also includes information about our volunteers.

**Our Performance** (page 66) gives the detail on how we have delivered on the themes, objectives and strategies in the 2017-2021 Council and Wellbeing Plan.

**Governance and Management Information** (page 106) provides information on our organisational governance including audit and statutory information.

**Performance Statement** (page 128) includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures and an explanation of material variations in the results.

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

**Annual Financial Report** (page 138) contains the audited financial statements we are required by law to provide.



## Our Services



### Theme 1

**A proud, inclusive and safe community**

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

### Theme 2

**A thriving and resilient natural environment**

- City Design, Strategy and Environment
- Operations

### Theme 3

**A well planned and built City**

- Engineering Services
- Planning
- Capital Projects

### Theme 4

**A strong local economy and a lifelong learning City**

- Libraries

### Theme 5

**A high performing organisation demonstrating leadership and advocacy**

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

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

## Our Stakeholders

COMMUNITY GROUPS AND VOLUNTEERS	GOVERNMENT – STATE, FEDERAL AND OTHER COUNCILS	RATEPAYERS	RESIDENTS	LOCAL BUSINESSES
---------------------------------	--	------------	-----------	------------------

### They are important to us because they....

- |   |   |  |   |   |
|---|---|--|---|---|
| <ul style="list-style-type: none"> <li>• Connect us with our community</li> <li>• Encourage community participation</li> <li>• Help with planning and advocacy</li> <li>• Contribute to the development of strategies, policies and programs</li> </ul> | <ul style="list-style-type: none"> <li>• Provide resources, guidance, legislation and regulations</li> <li>• Support partnerships and networks</li> </ul> | <ul style="list-style-type: none"> <li>• Provide funding for local services and infrastructure</li> <li>• Give feedback about local issues</li> <li>• Use the services we provide</li> </ul> | <ul style="list-style-type: none"> <li>• Provide funding for local services and infrastructure</li> <li>• Give feedback about local issues</li> <li>• Use the services we provide</li> <li>• Tell us which issues are most important to them</li> </ul> | <ul style="list-style-type: none"> <li>• Invigorate the local economy and provide employment</li> </ul> |
|---|---|--|---|---|

### We are important to them because we....

- |  |  |   |   |   |
|--|--|---|---|---|
| <ul style="list-style-type: none"> <li>• Provide support and resources</li> <li>• Develop services, strategies, policies and programs in response to advice</li> <li>• Build social inclusion and environmental sustainability</li> <li>• Improve the wellbeing of Melton residents</li> </ul> | <ul style="list-style-type: none"> <li>• Provide local services</li> <li>• Drive local economic growth</li> <li>• Reduce unemployment</li> <li>• Create networks</li> <li>• Stimulate tourism</li> <li>• Provide local data and information</li> </ul> | <ul style="list-style-type: none"> <li>• Provide services and infrastructure</li> <li>• Encourage local economic growth</li> <li>• Consult widely to find out what is most important to them</li> </ul> | <ul style="list-style-type: none"> <li>• Provide services, infrastructure, leadership and representation</li> <li>• Encourage local economic growth and links to local jobs</li> <li>• Welcome and encourage diversity</li> </ul> | <ul style="list-style-type: none"> <li>• Support job creation</li> <li>• Encourage new businesses</li> <li>• Run development and education sessions</li> <li>• Host networking events</li> <li>• Issue permits</li> </ul> |
|--|--|---|---|---|

### We engage with this group via....

- |   |  |   |  |   |
|---|--|---|--|---|
| <ul style="list-style-type: none"> <li>• Advisory committees and reference groups</li> <li>• Workshops</li> <li>• Community meetings and forums</li> <li>• Face-to-face meetings</li> <li>• Online</li> </ul> | <ul style="list-style-type: none"> <li>• Formal legislative reporting</li> <li>• Partnerships</li> <li>• Meetings</li> <li>• Briefings</li> <li>• Networking events</li> <li>• Correspondence</li> </ul> | <ul style="list-style-type: none"> <li>• Rates notices</li> <li>• community forums</li> <li>• Publications, including Annual Report</li> <li>• Website</li> <li>• Mail outs</li> <li>• Consultation sessions and meetings</li> <li>• Customer service centres</li> <li>• Telephone</li> </ul> | <ul style="list-style-type: none"> <li>• Council meetings</li> <li>• Forums / consultation sessions</li> <li>• Community surveys, door to door interviews</li> <li>• Website</li> <li>• Publications including the Annual Report</li> <li>• Social media</li> <li>• Mail outs</li> <li>• Customer service centres</li> </ul> | <ul style="list-style-type: none"> <li>• Council's economic development unit and health teams</li> <li>• Council's business incubator</li> <li>• Trade associations</li> <li>• Consultation sessions</li> <li>• Networking events</li> <li>• Surveys and face-to-face meetings</li> </ul> |
|---|--|---|--|---|

Welcome and Introduction

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VISITORS TO MELTON	SUPPLIERS	MEDIA	CUSTOMERS	PARTNERS	EMPLOYEES AND THEIR REPRESENTATIVES
<ul style="list-style-type: none"> <li>Invigorate the local economy by visiting, shopping and studying in Melton</li> </ul>	<ul style="list-style-type: none"> <li>Provide goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Help us communicate with our community and raise awareness of services, facilities and events</li> </ul>	<ul style="list-style-type: none"> <li>Use our services and facilities and provide feedback for improvement</li> </ul>	<ul style="list-style-type: none"> <li>Share their knowledge, innovation, experience and resources and allow for economies of scale</li> </ul>	<ul style="list-style-type: none"> <li>Bring experience and knowledge to the organisation and are crucial to our delivery of services</li> </ul>
<ul style="list-style-type: none"> <li>Provide good quality products, services and facilities</li> </ul>	<ul style="list-style-type: none"> <li>Purchase their goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Provide local data and information</li> </ul>	<ul style="list-style-type: none"> <li>Provide services and facilities and host events</li> </ul>	<ul style="list-style-type: none"> <li>Provide leadership, create local jobs and share knowledge, innovation, experience and resources</li> </ul>	<ul style="list-style-type: none"> <li>Provide a challenging and rewarding work environment, training, career progression, equal opportunity employment and work/life balance</li> </ul>
<ul style="list-style-type: none"> <li>Events, publications, Council website and social media channels</li> </ul>	<ul style="list-style-type: none"> <li>Contract management, face-to-face visits, public notices, networking groups, and online tender and quotation process</li> </ul>	<ul style="list-style-type: none"> <li>Media releases, briefings, interviews, social media, Council meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Customer surveys, face-to-face customer service, website, publications, and our telephone call centre</li> </ul>	<ul style="list-style-type: none"> <li>Networking meetings, and contract management</li> </ul>	<ul style="list-style-type: none"> <li>Newsletters, staff intranet, email, meetings, surveys, performance reviews, events and meetings with union representatives</li> </ul>

# The Year in Review

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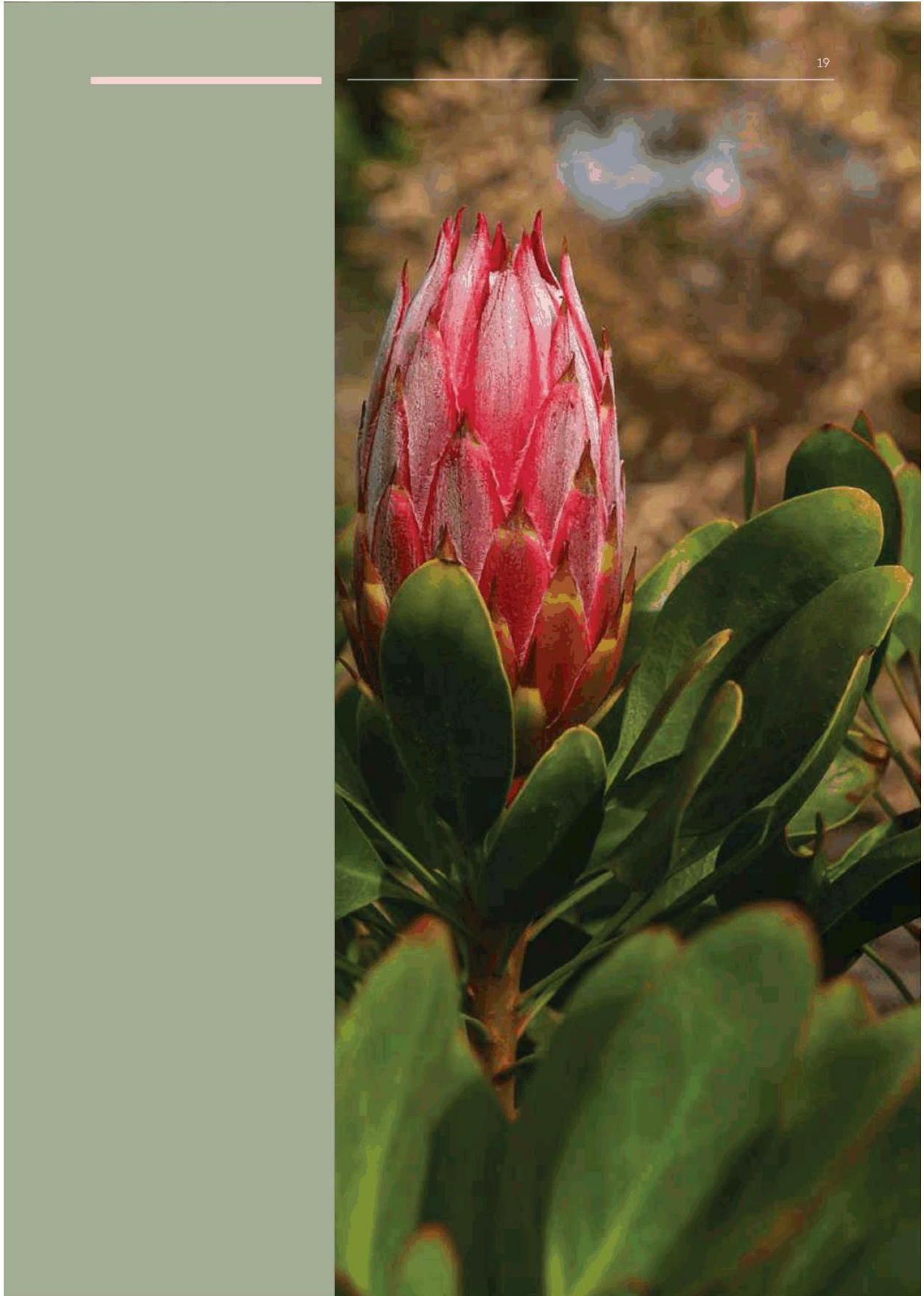
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Events Calendar **30**

Awards **31**

2019/2020





## A summary of how we spent your rates in 2019/2020

### What you got for \$100

We delivered a broad range of services to our diverse community of residents, traders, business owners and visitors. This list show how rates revenue was spent across these services for every **\$100 spent in 2019/2020**.

**\$10.16**



Parks, Open Space and Environmental Reserves

**\$26.71**



Capital Works

**\$6.13**



Properties Maintenance & Other

**\$2.00**



Engineering Services

**\$6.31**



Road Improvements

**\$1.35**



Community Safety

**\$2.99**



Library Services

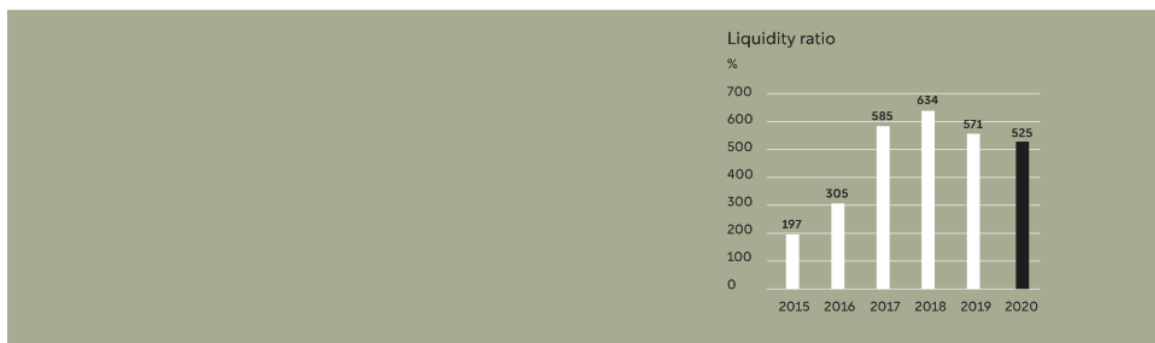
**\$4.11**



Statutory Planning and City Design Services



# 2019/2020 Financial Summary



## 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 2019/2020, Council spent \$8.3 million in infrastructure renewal and \$50.8 million on Capital Works in total during the reporting period.

At the end of the financial year Council had \$12.9 million in outstanding borrowings.

## Operating position

Council achieved an operating surplus of \$268.9 million for the 2019/2020 reporting period. This is \$52.7 million higher than the previous year.

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

## Liquidity position

Council's cash position at the end of the year was a healthy \$146.9 million. It should be noted that Council holds a further \$104.3 million in term deposits with a maturity of over 3 months classified as other financial assets.

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 2019/2020 this measure was 525 per cent. A ratio higher than 100 per cent means there is more cash and liquid assets than short-term liabilities.

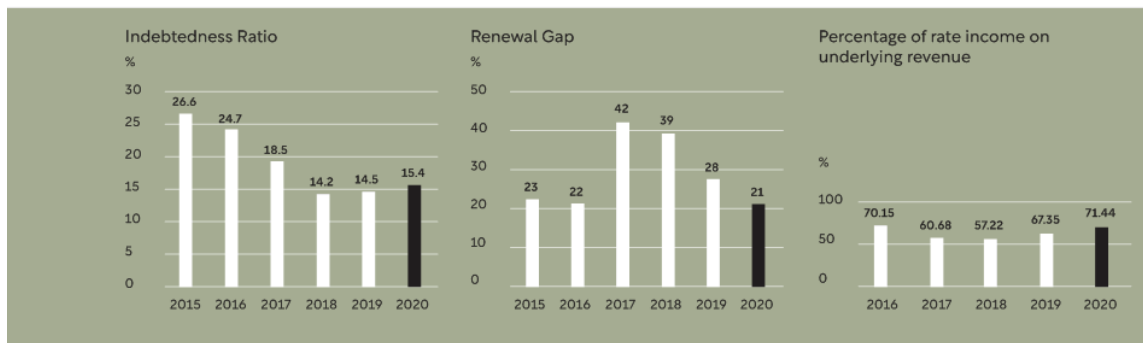
### Net worth

\$2.75b

### Operating Surplus

\$268.9m





### Indebtedness Ratio

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 2019/2020 the indebtedness ratio is under 15.4 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 renewal expenditure is considered appropriate given the age and condition of its assets.

### Stability

Council's revenue stream comprises of rates revenue, land sales, grants and contributions, fees, fines and charges. Rates form a significant part of the Council's revenue stream. Council is focused on maximising income from other income sources, investment income, government grants and contributions in its attempt to reduce the dependence on rates revenue. The stability ratio is trended slightly unfavourably in the 2019/2020 due mainly to lower land sales.

Cash

\$146.9m

Spent on infrastructure renewal

\$8.3m

## Economic Factors

During the first half of this financial year the City of Melton continued at a strong rate of population growth.

With the onset of the COVID-19 pandemic in early 2020, the rate of growth has slowed, and the level of housing construction has also been negatively impacted, despite the continued fall in mortgage interest rates.

Businesses that have not been able to continue to trade in their normal way have also been severely impacted, and unemployment has grown to unprecedented levels.

Council's resources have also been impacted, with reduced revenue from fees and charges due to the closure of most Council facilities, and the provision of significant hardship relief to impacted home owners.

Land sales at Council's joint venture development, Atherstone, were severely impacted, with large numbers of cancellations of sales recorded in the previous year.

Despite this, Council remains in a strong financial position, with good cash reserves and low debt.

## Major Changes

A number of changes occurred with the organisational structure of Council, to better equip Council to meet the challenges of growth, rate capping and changes in government direction and policy.

Effective 30 June 2020, Council ceased to provide Assessment Services for DHHS, with the contract transitioning to Mecwacare from July 1 2020. Council's Executive Team was expanded to five officers with the

creation of an Executive Manager Property and Projects role, focusing on the many large scale projects that are planned for delivery in the City in the near future.

The decision was also taken to expand the Management team by the creation of a Waste and Environment unit due to come into effect in August 2020.

This recognises the substantial challenges that exist for Council around waste management and environmental sustainability.

The Business Transformation Project continued to deliver benefits to Council, particularly

assisting in providing a mobility platform to enable Council's 'Work from Home' response to the pandemic challenge.

Also in response to the pandemic, a large number of staff were seconded to alternate roles, as they were no longer required to perform their usual role due to enforced Council facility closures. Staff were excellent in meeting the challenges thrown up by the pandemic, and their collective preparedness to be flexible and agile has greatly assisted in Council facing the pandemic in a proactive way.





# Major Project Highlights

## MacPherson Park redevelopment



The 2019/20 year saw the completion of Stage 1 of the MacPherson Park Redevelopment, which has delivered an exciting and much-needed upgrade to the eastern aspect of this facility.

The completion of this first stage is a significant milestone in the project, delivering a synthetic oval with lighting, a netball court with lighting and warm up space, a cricket net training facility, and a community pavilion with change rooms and meeting rooms.

The \$13.3 million project was funded with generous support from the State Government – contributing \$2 million via the Growing Suburbs Fund, as well as AFL Victoria with a \$100,000 contribution.

Council prepared funding applications for Stage 2 of the redevelopment, which will include a new soccer pavilion and two new sports grounds.



## Caroline Springs Community Pavilion upgrade

Upgrade works to the sports pavilion at the Caroline Springs Town Centre Sports Precinct commenced in February 2020. The project includes building and façade extensions, expanded toilet facilities, a relocated kitchen, dry and cool rooms, refurbished change rooms, increased social space and office space.

Upgrading the pavilion will meet the increasing demand for high quality sporting facilities in this area.

The project was jointly funded by Council and the State Government, each contributing \$1.06 million, and was completed in June 2020.

## Playspace upgrades and developments

Playspaces were upgraded in 2019/2020 at Marlo Drive Reserve in Harkness, Morton Homestead in Taylors Hill, Arbour Boulevard Reserve in Burnside Heights, Bloomsbury Drive Reserve in Taylors Hill and Stan Payne Reserve in Diggers Rest.



## Fraser Rise Children's and Community Centre

Fraser Rise Children's and Community Centre was officially opened by Premier Daniel Andrews in February 2020.

Maternal and child health, kindergarten, occasional care and child care services form the core of the centre, supported by community and neighbourhood house services, sporting facilities

and links to Springside West Secondary College.

Council invested \$5.6 million to deliver the Fraser Rise Children's and Community Centre, with the State Government contributing \$3.2 million through the Growing Suburbs Fund and Children's Facilities Capital Program.



### Timbertop Children's and Community Centre

Timbertop Children's and Community Centre in Aintree officially opened in early 2020.

Featuring four kindergarten rooms, two maternal and child health rooms, a library kiosk, community rooms and a community kitchen, Timbertop features strong links to Frontier Park sporting facilities and local schools.

This \$8.2 million centre received a \$1.79 million contribution from the State Government through the Growing Suburbs Fund and Children's Facilities Capital

Program. In addition to a range of services the centre will also provide social, cultural and recreational benefits to thousands of residents who call Aintree home.



### Melton Central Redevelopment

Formerly known as the *White House*, the Melton Central Community Centre redevelopment project brings Council and allied community service providers together in a vibrant intercultural learning hub.

This integrated, flexible facility, located in Station Road, Melton, will house multiple community service providers to deliver employment and education services, migrant and refugee settlement support, family violence support, and Neighbourhood House activities and programs.

The old centre was demolished in August 2019, making way for a contemporary facility boasting eight multipurpose, AV-equipped spaces, a kitchen large enough

for demonstrations and classes, an open plan office accommodating up to 20 staff, six interview rooms, and an interfaith space for reflection and prayer.

The Melton Central Community Centre was jointly funded by Council and the State Government, which provided \$2 million in funding towards the project through its Growing Suburbs Fund.



### Cobblebank Indoor Stadium

Construction of Cobblebank Stadium commenced in March 2020. This multipurpose community facility has been designed to respond to the growing need for additional indoor courts within the City of Melton. It will increase community participation and provide greater access to a range of sports including basketball, netball, badminton, table tennis, volleyball, futsal, school curriculum and community health and wellness programs.

The project will include a six indoor high-ball courts (including show court and seating), player, referee and public amenities, administration and reception, flexible meeting and social spaces, kiosk and seating areas and car parking.

The stadium is located on the corner of Ferris and Bridge Roads, Cobblebank and is expected to be completed in late 2021.



### Eynesbury Recreation Reserve



Stage 1A of Eynesbury Recreation Reserve was completed during the 2019/20 year. This first stage saw the delivery of a senior AFL and cricket oval, along with irrigation, fencing and drainage.

This \$13.8 million development will provide a much-needed training and competition space for local sporting clubs as well as a place for the whole community to gather and stay active.

Stage 1B has commenced and will deliver a pavilion with social room, kitchen, change rooms, umpires' room, first aid and storage, hard courts, adventure play space, car parking, lighting and cricket nets. These works are scheduled to be complete by mid-2021.

This project is being delivered in partnership with the Australian Government through its Building Better Regions Fund, the Victorian Government through its Growing Suburbs Fund, and AFL Victoria.

# Sustainability Statement

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

## Social Sustainability

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

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

## Workplace Sustainability

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

and procedures protect employees from discrimination, harassment and bullying in the workplace.

MORE INFORMATION ABOUT OUR WORKFORCE CAN BE FOUND IN THE REPORT OF OPERATIONS SECTION OF THIS REPORT.

## Environmental Sustainability

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

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

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

THE ENVIRONMENT PLAN IS AVAILABLE ON COUNCIL'S WEBSITE.

## Economic Sustainability

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

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

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

THESE DOCUMENTS ARE AVAILABLE ON COUNCIL'S WEBSITE.

## Financial Sustainability

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

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

## Challenges and the Future

### Council was faced with the following challenges in 2019/2020:

- Responding to the COVID-19 pandemic
- Managing its growing population
- Advocating for improved health facilities and services, particularly Melton Hospital
- Advocating for improved public transport, particularly the upgrade of the Western Highway and Melton Highway

- Delivering key community infrastructure at the right time
- Addressing family violence and community perceptions of safety

### Council is looking ahead to 2020-2021 and plans to undertake the following actions:

- Continue to respond to the COVID-19 pandemic and implement recovery initiatives

- Continue to advocate for the electrification of the Melton rail line, Melton Hospital, more schools and road improvements
- Complete projects identified in the Capital Works Plan
- Undertake service reviews to identify efficiencies and cost saving opportunities
- Maximise funding from State and Federal governments to support the provision of community infrastructure.

## Community Satisfaction Survey

### Council commissions a Community Satisfaction Survey annually.

Usually conducted door-to-door, in 2020 it was conducted as a telephone survey (including both mobile and landline phones). A total of 804 residents were randomly surveyed from a sample drawn proportionally from across the municipality.

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

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

- 35 Council services and facilities
- Council's governance and leadership
- Customer service

- Planning for population growth
- Planning and housing development
- Performance of Council 'across all areas of responsibility' and
- The impact of COVID-19 on the household.

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

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

In 2020, satisfaction with Council's overall performance was rated at 6.87 out of 10, and Governance and Leadership was 6.81. Average satisfaction with services was 7.50.

The top three issues identified by community in 2020 were:

- Traffic management (13.6% down from 25.4%)
- Road maintenance and repairs (11.6% up from 8.5%)
- Safety policy and crime (6.7% down from 11.2%).

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



# Events Calendar



## Djerriwarrh Festival

More than 25,000 people turned out for the 2019 Djerriwarrh Festival on 9 November at Melton Recreation Reserve. This much-loved annual event featured a street parade down High Street, main stage entertainment, a

market village and pet expo. Festival-goers enjoyed food from around the world and a bonfire. Highlights also included the Intercultural Stage and a spectacular firework display that closed another successful event.

## Harmony Day

Council celebrated the municipality's rich diversity with a community event at Willows Historical Park, Melton on Saturday 14 March, featuring food and performances from around the world, African drumming, henna tattooing, face painting and children's activities.



## Carols by Candlelight

City of Melton residents were treated to a festive evening at the 2019 Carols by Candlelight on Saturday 7 December. The free event at Hannah Watts Park showcased community performances from local primary school students, choirs and musicians. Entertainment was provided by artists including Lucca Franco, Lleon, Brenton Cosier and Mumma Julz, along with children's entertainers The Mik Maks, and a visit from Santa.



## Celebrating Australia Day

The City of Melton welcomed 120 new residents during the annual Citizen Ceremony as part of Australia Day celebrations on 26 January. Community Achievement Award recipients were recognised for their contribution to the City and their communities, including:

**Citizen of the Year**  
Jarrod Hynes

**Young Citizen of the Year**  
Chloe Wright

**Gender Equity Leader of the Year**  
Kelly Busuttill

**Access & Inclusion Leader of the Year**  
Emily Attard

**Intercultural Engagement Leader of the Year**  
Yvette Medina



# Awards



## Winner

Council was the winner of 'Stormwater Victoria Awards for Excellence 2019 – People's Choice Award'. The award was

for Council's project called 'Integration of passive irrigation in land use planning across City of Melton's growth areas'. Council

partnered with Alluvium Consulting and the University of Melbourne.



## Silver

Council was the winner of a silver award from the Australasian Reporting Awards for its 2018/19 Melton Council Annual Report.

The aim of the awards is to improve the quality of annual, sustainability and integrated reporting by organisations in

Australia, New Zealand and other countries in the Asia-Pacific Region.



## Commendation

Council received a commendation for the City Vista Sports Precinct Partnership from the National Growth Areas Alliance Recognising Excellence and Innovation Awards in November 2019.

The City Vista Sports Precinct, in Fraser Rise, includes two synthetic

and two natural grass soccer pitches (National Premier League standard), a multi-purpose community pavilion, a commercial kitchen, licenced restaurant bistro, car park and landscaping.

The project was a partnership between Council and Caroline

Springs George Cross Soccer Club, based on co-funding and shared responsibility for maintenance. In a growth area like ours this project may not have been possible without this mutually beneficial approach and this partnership achieved national recognition.

# Our City

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## About the City of Melton

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

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

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

Melton also has a number of significant rural areas including Parwan, Plumpton, Mount Cottrell,

Exford and parts of Diggers Rest, Toolern Vale and Eynesbury.

### Our history

The City of Melton has a rich Aboriginal heritage that dates back over 40,000 years. Three different but related language groups, each made up of a number of individual clans, lived in areas now covered by western region councils. These language groups include Woiwurrung (Wurundjeri), Wadawurrung and Boonwurrung.

Aboriginal and Torres Strait Islander City of Melton residents are likely to have come from many places from across Australia. Historically and today, the inheritance of cultural practice for next generations is important and encourages links to people and places. Aboriginal stone tools and camp sites have been found along local water courses, as well as a number of scarred trees where bark was taken for making canoes, carrying containers, shields and shelters. There are a number of Aboriginal heritage sites in the City of Melton including the Melton

Valley Golf Course canoe scar tree, the Bullum Bullum campsite in Burnside, and the site of the area's last known corroboree of 1863 in Hannah Watts Park, Melton.

The first European settlers arrived in 1830. By 1862, Melton was created as a district, which would develop a rich pastoral and farming heritage. This era is still evident with numerous pastoral homesteads, dry-stonewalls and dams still remaining.

In 1974, Melton was declared Melbourne's first satellite city. Extensive suburban development led to a major increase in population through the 1980s. Throughout the last decade, the municipality has continued to experience unprecedented population growth and is currently recognised as one of the fastest growing municipalities in Australia. In acknowledgement of Melton's fast growth, Melton Shire Council was granted city status by the State Government in September 2012 and is now known as Melton City Council.





## The Role of Council

The *Local Government Act 1989* sets out the purpose and objectives of Melton City Council and defines its functions and powers. Council is a statutory body incorporated under the Act. Its role is to provide leadership for the City of Melton in service of the community. A new *Local Government Act 2020* received royal assent on 24 March 2020 and will be proclaimed in four stages.

### Melton City Council

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

### Councillor Vacancies and Appointments

In 2015, the Victorian Electoral Commission (VEC) completed an election representational review of Melton City Council and recommended that it change to consist of nine councillors elected from one four-councillor ward, one three-councillor ward and one two-councillor ward. An Order in Council made by the Governor in Council was published in the Victoria Government Gazette on 14 April 2016 implementing the recommendation of the VEC to the Minister for Local Government with effect at the next general election of the Melton City Council.

The Local Government General Elections were held on 22 October 2016, resulting in the following appointments of the Melton City Council.



# Our Councillors

## COBURN WARD

### Cr Ken Hardy

First elected  
November 2016  
0437 226 887  
ken.hardy@  
melton.vic.gov.au



### Cr Sophie Ramsey

First elected  
October 2001  
0412 584 067  
sophie.ramsey@  
melton.vic.gov.au



### Cr Yvonne Sebire \*

First elected  
12 June 2019  
0455 622 581  
yvonne.sebire@  
melton.vic.gov.au



### Cr Bob Turner

First elected  
November 2008  
0412 584 224  
bob.turner@  
melton.vic.gov.au



## CAMBRIDGE WARD

### Cr Steve Abboushi, Deputy Mayor

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



### Cr Goran Kesic

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



### Cr Kathy Majdlik

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



## WATTS WARD

### Cr Lara Carli, Mayor

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



### Cr Michelle Mendes

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



\* Yvonne Sebire (on  
countback 12 June 2019,  
following resignation of  
Cr Melissa De Santis on  
9 May 2019)

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



## Council Meetings

### Ordinary meetings of Council are held each four weeks.

Meeting agendas are available on the Council website, as are minutes of any meeting, including audio recordings of the meeting. From 11 May 2020, due to COVID-19 restrictions, Council meetings have been held via a video-conference and live streamed, with a video recording of the meeting made available on Council's website approximately two days after the meeting. Each item on the agenda is 'bookmarked' so that the public can easily find any item they may be interested in.

Council meetings in 2019/2020 were held on the dates set out below. These meetings were Ordinary Meetings of Council except where indicated:

- 22 July 2019, Burnside
- 19 August 2019, Melton
- 16 September 2019, Burnside
- 14 October 2019, Melton
- 31 October 2019 (Special Meeting to elect the Mayor), Melton
- 11 November 2019, Burnside
- 9 December 2019, Melton
- 3 February 2020, Melton
- 17 February 2020 (Special Meeting), Melton
- 2 March 2020, Burnside
- 26 March 2020 (did not meet due to a lack of a quorum – adjourned to 2 April 2020), Melton
- 2 April 2020 (adjourned meeting from 26 March 2020), Melton
- 11 May 2020 live streamed videoconference
- 14 May 2020 (Special Meeting) live streamed videoconference
- 19 May 2020 (Special Meeting) live streamed videoconference
- 25 May 2020 live streamed videoconference
- 22 June 2020 live streamed videoconference





## Committees

COMMITTEE	COUNCILLOR REPRESENTATIVE	
	November 2018 to October 2019	November 2019 to October 2020
Arts & Culture Advisory Committee	Cr Turner Cr Carli Cr Mendes	Cr Turner Cr Sebire Cr Mendes
Audit Committee	Cr Hardy Cr Turner (Cr Ramsey – Substitute)	Cr Hardy Cr Carli (Cr Ramsey – Substitute)
Boral Deer Park Community Liaison Committee	Cr Abboushi (Cr Kesic – Substitute)	Cr Abboushi (Cr Kesic – Substitute)
Caroline Springs Leisure Centre Users Forum	Cr Abboushi Cr Kesic	Cr Abboushi Cr Kesic
CEO Review Special Committee	Cr Carli Cr Majdlik Cr Ramsey Cr Turner	All Councillors
Community Grants Program – Semi-Annual Grants Assessment Panel	Cr Carli Cr Kesic Cr Ramsey Cr Turner	Cr Majdlik Cr Kesic Cr Ramsey Cr Turner
City of Melton Community Benefit Program – Grants Assessment Panel (The Club Caroline Springs)	Cr Abboushi Cr Kesic Cr Majdlik Cr Mendes	Cr Abboushi Cr Kesic Cr Majdlik Cr Mendes
City of Melton Community Benefit Program – Grants Assessment Panel (Harness Racing Victoria / TABCORP Park Grants)	Cr De Santis / Cr Sebire Cr Hardy Cr Ramsey Cr Turner	Cr Hardy Cr Ramsey Cr Turner
Community Grants Program – Bi-Monthly Response Grant Assessment Panel	Cr Carli Cr Majdlik Cr Mendes	Cr Carli Cr Kesic Cr Turner
Community Achievement Awards Assessment Panel	All Councillors	All Councillors
Community Learning Board	Cr Majdlik	Cr Ramsey
Community Safety Committee	Cr Carli Cr Turner	Cr Carli Cr Abboushi
Councillor Representations Nominations Advisory Committee	All Councillors	All Councillors
Disability Advisory Committee	Cr Carli Cr Majdlik (Cr Ramsey – Substitute)	Cr Carli Cr Majdlik Cr Ramsey

COMMITTEE	COUNCILLOR REPRESENTATIVE	
	November 2018 to October 2019	November 2019 to October 2020
Early Years Partnership Committee	Cr Carli Cr Ramsey	Cr Carli Cr Ramsey
Heritage Advisory Committee	Cr Turner	Cr Sebire Cr Turner
Intercultural Advisory Committee	Cr Turner Cr De Santis / Cr Sebire	Cr Turner Cr Sebire
Interface Councils	Cr Turner	Cr Carli
LeadWest (s86 Special Committee)	Cr Hardy (Cr Ramsey – Proxy)	Cr Ramsey (Cr Hardy – Proxy)
Leisure Advisory Committee	Cr Abboushi Cr Turner	Cr Abboushi Cr Turner
Mayoral Charity Fund Committee (s86 Special Committee)	Cr Carli Cr Turner	Cr Carli Cr Abboushi
Melbourne Regional Landfill Community Reference Group	Cr Majdlik Cr Turner (Cr Kesic – Substitute)	Cr Majdlik Cr Turner (Cr Kesic – Substitute)
Melton Indoor Recreation Centre	Cr De Santis / Cr Sebire Cr Ramsey	Cr Sebire Cr Ramsey
Melton Waves Reference Group	Cr De Santis / Cr Sebire Cr Hardy	Cr Ramsey Cr Hardy
Melton Weir Development Advisory Group	Cr De Santis / Cr Sebire Cr Hardy	Disbanded – 9 December 2019
Metropolitan Transport Forum	Cr Majdlik Cr Mendes Cr Turner	Cr Majdlik Cr Mendes Cr Turner
Metropolitan Waste Management Forum	Cr Turner (Cr Abboushi - Substitute)	Cr Turner (Cr Abboushi - Substitute)
Military Commemoration Investment Advisory Committee (MCIAC)	All Councillors	All Councillors
Municipal Association of Victoria	Cr Majdlik	Cr Majdlik
Municipal Emergency Management Planning Committee	Cr Turner	Cr Carli (Cr Ramsey - Substitute)
Municipal Fire Management Planning Committee	Cr Ramsey (Cr Turner - Substitute)	Cr Ramsey (Cr Carli - Substitute)

COMMITTEE	COUNCILLOR REPRESENTATIVE	
	November 2018 to October 2019	November 2019 to October 2020
National Growth Areas Alliance (NGAA)	Cr Carli Cr De Santis / Cr Sebire Cr Turner (Cr Kesic - Substitute)	Cr Carli Cr Sebire Cr Turner (Cr Kesic - Substitute)
Policy Review Panel	Cr Carli Cr Hardy Cr Majdlik Cr Turner	Cr Carli Cr Hardy Cr Majdlik Cr Ramsey
Preventing Family Violence Advisory Committee	All Councillors	All Councillors
Public Hospital for Melton Advisory Committee	All Councillors	All Councillors
Ravenhall Prison Project – Community Advisory Group (CAG)	No appointment made – restructure underway	Disbanded – 9 December 2019
Reconciliation Advisory Committee	Cr Carli Cr De Santis / Cr Sebire	Cr Carli Cr Sebire
Road Safe Westgate	Cr Ramsey	Cr Ramsey
Road to Zero Steering Committee	Cr Carli Cr Ramsey	Cr Carli Cr Ramsey
Section 223 Submissions Advisory Committee	All Councillors	All Councillors
Transport Community Reference Group	Cr Majdlik Cr Ramsey Cr Turner	Cr Carli Cr Kesic Cr Turner
Victorian Local Governance Association	Cr Carli	Cr Hardy
Western Highway Action Committee (WHAC)	Cr Mendes	Cr Mendes
Western Melbourne Tourism Board	Cr Majdlik	Officer representation
Western Region Mayors Forum	Cr Turner	Cr Carli
West Waters/City of Melton Community Benefit Program	Cr Abboushi Cr Majdlik Cr Mendes	Cr Abboushi Cr Majdlik Cr Mendes
The Willows Historical Park Advisory Committee	Cr De Santis / Cr Sebire Cr Hardy Cr Ramsey Cr Turner	Cr Sebire Cr Hardy Cr Ramsey Cr Turner
Youth Council	Cr Abboushi Cr De Santis / Cr Sebire Cr Turner	Cr Abboushi Cr Majdlik Cr Sebire Cr Turner



## Councillor's Code of Conduct

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

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

In carrying out their role, Councillors will:

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

In addition, in performing this role, Councillors will:

- avoid conflicts between public duties as Councillors and personal interests and obligations
- act honestly and avoid making oral or written statements and avoid actions that may mislead a person

- treat all persons with respect and show due respect for the opinions, beliefs, rights and responsibilities of other Councillors, Council officers and other people
- exercise reasonable care and diligence and submit to lawful scrutiny that is appropriate to their office
- ensure that public resources are used prudently and solely in the public interest
- act lawfully and in accordance with the trust required as elected representatives of the community
- Support and promote these principles by leadership and example to ensure the public has confidence in the office of Councillor.

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

## Conflict of Interest

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

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

## Delegations of Authority

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

The delegation of powers is a 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 Act, Council periodically revises and updates instruments of delegation to ensure appropriate authorisation. The Council updated its key instruments of delegation on the following dates:

S5 Instrument of Delegation from the Council to the Chief Executive Officer – **1 April 2019**

S6 Instrument of Delegation – Members of Staff – **1 June 2020**

S7 Instrument of Sub-delegation by CEO to Council Staff – **13 December 2019**

S13 Instrument of Delegation of CEOs powers, duties and functions – **2 April 2019**

### Governance Charter

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

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

The Governance Charter is available on Council's website.

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

### Mayor and Councillors' allowances for 2019/2020

Councillor	Allowance \$
Steven Abboushi	\$34,155
Lara Carli (Mayor from 31 October 2019)	\$85,004
Melissa De Santis (resigned 9 May 2019)	-\$2,250
Ken Hardy	\$34,155
Goran Kesic	\$34,155
Kathy Majdlik	\$34,155
Michelle Mendes	\$34,155
Sophie Ramsey	\$34,155
Yvonne Sebire	\$34,155
Bob Turner (Mayor from 2 November 2017 to 31 October 2019)	\$58,245



## 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 Council adopted an updated Resource Support and Expenses of Councillors and Special Committee Members Policy at its 14 October 2019 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.

Conferences, Seminars & Training	Travel Local	Communications	Functions External to Civic Centre	Child Care Expenses	Councillor Allowances	Total
<b>Cr Steven Abboushi</b>						
0	0	510	383	0	34,155	<b>35,047</b>
<b>Cr Lara Carli</b>						
94	299	1,373	986	0	85,004	<b>87,756</b>
<b>Cr Melissa De Santis (resigned 9 May 2019)</b>						
0	0	0	0	0	-2,250	<b>-2,250</b>
<b>Cr Ken Hardy</b>						
741	950	944	495	0	34,155	<b>37,285</b>
<b>Cr Goran Kesic</b>						
0	0	498	119	0	34,155	<b>34,772</b>
<b>Cr Kathy Majdlik</b>						
7,801	6,030	1,381	599	29,694	34,155	<b>76,660</b>
<b>Cr Michelle Mendes</b>						
3,892	156	678	408	0	34,155	<b>32,289</b>
<b>Cr Sophie Ramsey</b>						
0	0	348	743	0	34,155	<b>36,608</b>
<b>Cr Yvonne Sebire (elected 12 June 2019)</b>						
1,113	0	261	795	0	34,155	<b>36,324</b>
<b>Cr Bob Turner</b>						
3,710	0	1,989	1,631	0	58,245	<b>65,575</b>

# Our Community

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# Celebrating our Community Achievement Awards winners

The Community Achievement Awards Program (CAA) recognises the work of individuals and their contribution to community projects and the community.

The CAA Program inspires individual and community pride, and strengthens community life in the City of Melton.

Annual award winners are announced and celebrated at a formal awards evening at the end of each year. Winners are also

invited to Council's Australia Day Ceremony where they are further celebrated and recognised for their achievement.



## Citizen of the Year

### JARROD HYNES

Jarrod has been saving lives and property in the community for the past 15 years through his service with the Diggers Rest Country Fire Association, responding to calls with fearless, dedicated service, including the fires on Black Saturday. He has additionally been enriching the lives of the Diggers Rest Junior Football Netball Club members for the past six years, the last three of those as President.



## Young Citizen of the Year

### CHLOE WRIGHT

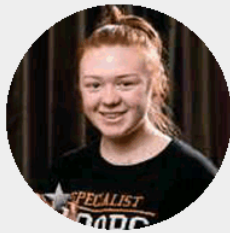
In 2019, Chloe visited every school in Melton and challenged them to hold a fundraiser for Dolly's Dream and spread awareness of cyber bullying and online safety. Four schools participated in the fundraising, as well as 2nd Melton Scout Group, raising around \$3000 in funds for Dolly's Dream.



## Gender Equity Leader of the Year

### KELLY BUSUTTIL

Kelly inspires members of the Melton community to get involved in Gender Equity based initiatives. She has coordinated a 'Leadership and Self-esteem' group for young girls at her school, providing support and encouragement to these girls, and leading activities that break down gender stereotypes.



### Access & Inclusion Leader of the Year

**EMILY ATTARD**

Emily has worked hard to grow the program Specialist Hoops, a basketball program for people with disabilities in the City of Melton. Emily is the founder of this group, and due to her efforts the numbers have grown to an amazing 38 participants over the 12 months since the program formally began. Ninety per cent of these participants had previously had little to no exposure to group sporting events due to lack of opportunities.



### Intercultural Engagement Leader of the Year

**YVETTE MEDINA**

Yvette is the Culturally and Linguistically Diverse Engagement Officer at Staughton College in Melton. She helps the broader school community to develop intercultural understanding by allowing students and their families to practice, embrace and share their cultures, languages and beliefs with the school community. The work that she does in the Intercultural space promotes anti-racism and community harmony, intercultural understanding and positive relationships between students and families of all cultural backgrounds.

## Celebrating our young people

The 2020 City of Melton Youth Awards recognised the positive contribution that young people make to our community.

The Award categories are: *Being connected, Being heard, Being inclusive, Being all you can be and Being happy and healthy.* Nominees must be aged 12 to 25 years and must also live, work

or attend school in the City of Melton. Annual award winners are announced during the Victorian National Youth Week and celebrated at a formal awards ceremony in mid-April.



### Being all you can be

#### THON CHIPUOWUOP

Thon shows great commitment and enthusiasm in taking part in every opportunity presented to him. He is a positive role model within his school community and also volunteers his time at his community church.



### Being happy and healthy

#### KENNEDY SU'A

Kennedy's contributions to student life and the school community have been nothing short of innovative. In adapting to the current changing climate of COVID-19 and remote learning, Kennedy creatively put together a video, filming content for students around general mental health and staying active. He has been involved with the student leadership team at Staughton and chosen as one of the 2020 school captains. He is also actively involved in community events including Staughton's music program, local Dawn Service Memorial for Anzac Day and being a voice at the Melton Youth Forum.



### Being happy and healthy

#### DANZLE KAVANA

Danzle's passion and strong leadership has led him contributing significantly to his school community. Danzle's general approach to his position as a senior student leader has seen him addressing the College community, often requiring him to speak publicly to over 1000 students and staff, as well as being an active voice on community events like the Melton Youth Forum.



#### ALICIA BROWN

Alicia has overcome barriers to achieve excellence in her participation in the Western BACE STEM program, through which she has successfully gained employment. She excels at delivering fun technology activities through the Western BACE's regular activations with primary school aged children. Alicia has engaged well in the Youth Learning Pathways Program, which provided her with the opportunity to pursue her academic and creative pursuits.





Being heard

**ADORALYNN PAPALII**

Adoralynn 'Dora' shines as a true leader. Her role as a Cultural Ambassador and recipient of VICSEG multicultural scholarship has seen her excel at organising school events that promote cultural responsiveness. Adoralynn is instrumental in encouraging Samoan girls at school to perform traditional dances, which is an extension of her commitment to keeping Samoan culture very much alive choreographing dances for young people who attend her local church.



Being heard

**BINUSHA PATHIRANA**

Binusha is a determined young woman who passionately "walks her talk". Holding a firm belief that students should have a say and input into matters regarding their school as well as their community, Binusha voluntarily involves herself in organised consultations, and multiple community activities which demonstrates her student voice and leadership skills. She has led positive change in addressing gender equality and racism issues and young people's experience of this within her school community.



Being inclusive

**MONIQUE MASTROBATTISTA**

Monique has transformed personal tragedy into triumph. A victim of cyberbullying attack after posting a photo of herself on social media, she has turned this adversity into advocacy, spreading her anti-bullying message across many platforms. At only 15 years old she is a published author releasing an illustrated book "My Discreet Bully" which bravely shares her experience which has taken her message to schools around Victoria and overseas.

## Celebrating our sportspeople

### 2019 City of Melton Sports Awards

The 2019 City of Melton Sports Awards recognised, celebrate and acknowledge the achievements and positive contribution clubs and individuals make to our community.

Awards were presented at the Annual City of Melton Awards Night on 10 September 2019. This event marked the 10th anniversary of the City of Melton Sports Awards.

### Lydia Lassila Youth Scholarship



#### JACOB ATTARD

Jacob tried his first karate class at the age of four and immediately knew this was the sport for him. Jacob has travelled the world representing Australia and his club at a number of championships including the Junior World Karate Championships in Chile and performed well in his first World Championships.

### Sports Encouragement Award Winners

The following individuals were recognised for their outstanding achievements in sport and to their clubs.

- Hayley Courts** – Basketball
- Isabella Rigotto** – Karate
- Mackenzie Reddrop** – Basketball
- Skye Peake** – Netball
- Montana Ham** – AFL
- Ethan Spiteri** – Netball
- Keenan Spence** – Baseball
- Ruby Pizzo** – Athletics

### Sports Club of the Year

#### MELTON PHOENIX FOOTBALL CLUB

Melton Phoenix Football Club is committed to providing an inclusive club environment, offering a number of opportunities for girls and women from club management, playing and coaching. In 2019, the Club connected with RECLINK fostering relationships with the South Sudanese community and provided opportunities for under 16's the opportunity to complete their referee licence for free.

### Club Volunteer Recognition Awards

The following individuals were recognised for their outstanding contribution and dedication as volunteers at local community sporting clubs:

- Amy Schwarze**  
Melton Hockey Club
- Brian Giormaina**  
DIDYABRINGYARODALONG Angling Club
- Chris Pleitner**  
Eynesbury Eagles Junior Football Netball Club
- Christian Ferris**  
Wolfpack Basketball Club
- David Young**  
Melton City Little Athletics Centre
- Jarrold Hynes**  
Diggers Rest Junior Football Netball
- Michael Simpkin**  
Melton Football Netball Club
- Rae Shadbolt**  
Caroline Springs Hockey Club
- Scott Marsden**  
Hillside Football Club
- Tyson Greenwood**  
Diggers Rest Auskick
- Veronica Wills**  
Melton Centrals Cricket Club
- Brydie Kelly**  
Melton Pistol Club
- Glenn Harrison**  
Rockbank Sporting Club

# Celebrating our businesses

## 2019 City of Melton Business Excellence Awards

### City's best businesses celebrated

The most innovative, creative and professional local businesses were celebrated at the 2019 City of Melton Business Excellence Awards on Friday 30 August 2019 in a gala dinner celebration with over 400 guests.

Eynesbury Homestead & Golf took out the coveted **Business of the Year Award**, impressing the judges with their work to preserve Eynesbury's distinct bushland setting while bringing tourism to the City of Melton.



CATEGORY	PROUDLY SPONSORED BY	WINNER
Business of the Year Award	Quest Caroline Springs	Eynesbury Homestead & Golf
Best Creative Industries Business Award	Victoria University	Same Day Printing
Best Hospitality & Tourism Business Award	WestWaters Hotel & Entertainment Complex	Eynesbury Homestead & Golf
Best Micro or Home Based Business Award	The GEO Group	moJé essentials
Best Professional Services Business Award	Western Water	XO Accounting
Best Retail Business Award	Woodgrove	Melton Pools & Spas
Best Trade & Construction Business Award	Atherstone Exchange	Fixwell Smash Repairs
Community Contribution Award	Matchworks	Combined Churches Caring Melton
Innovation Award	Westkon Precast	Events 720
Best Personal Services Business Award	Melton Toyota	Watervale Dental
Access and Inclusion Award	Melton Disability Advisory Committee	Melton Music
Mayoral Achievement Award	Venture Melton	The Enchanted Studios

## Celebrating our volunteers

Melton City Council thanks the 247 people who volunteered their time, skills and expertise to assist in Council programs, events and festivals in 2019/2020.

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	6	Ambassadors delivered Council's Ageing Well exercise programs. Programs included Tai Chi for Arthritis, Seniors Walking Group and Nordic Walking Groups in Melton.
Events	110	Volunteers worked at Council events and festivals helping out with car parking, marshalling, providing information to attendees and food service.
Food Services	3	Volunteers assisted with general duties in the kitchen and dining rooms for Council's meals on wheels service, centre-based meals program and Social Support Groups. They also hosted the Chat and Chew program.
Men's Shed	24	Volunteers provided around 247 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	26	Neighbourhood House volunteers planned and supported local events, and the operation of weekly community centre programs and activities
Social Support	15	Volunteers assisted Social Support staff to deliver programs and activities for seniors and young people with disabilities.
Libraries	15	Library volunteers assisted with home service deliveries, family history research, and English conversation classes.
Volunteer Transport	13	Volunteers provided door-to-door transport for people in need to get to medical appointments.
Youth	35	Volunteers took part in eight youth-led event programs that engaged young people





**PATRICIA GILBERT**

Patricia has run the English Conversation, Writing and Reading Program at Caroline Springs Library since its inception five years ago.

Patricia enjoys her volunteer role and finds it rewarding when students grow, progress, gain confidence and move on to other studies or get employment. Volunteering keeps her busy with opportunities to meet community members and make lasting friendships as well.



**LUKE DE GABRIELLE**

Luke's journey as a volunteer started back in 2012, when he signed up to participate in Council's Youth Mentoring Project.

He wanted to give back to his community and support those who might be going through a rough and difficult time and saw the Project as a way he could tap into his skillset and provide positive and supportive relationships to young people in the City of Melton.

During that time, he has mentored four fantastic young people and says he has learnt as much from them as he hopes they have learnt from him.



**ROB MACPHERSON**

Rob is a volunteer Team Leader at the Melton Men's Shed. Rob enjoys the opportunities to learn, help others and spend time with other members. Unfortunately, due to the COVID-19 pandemic, the Shed has been closed since March, but the members try to stay in touch through regular phone calls and mailing lists.

**MELTON FAMILY HISTORY GROUP INC.**

Melton Family History Group Inc. assists people in Melton who are researching their family histories.

The group runs a free, popular drop-in Genealogy Help program each Wednesday at Melton Library helping people begin their family history, work through road blocks, and navigate websites and databases. Together with Melton City Libraries they record oral

histories from the community capturing the stories of Melton's past and present. They also run popular cemetery tours during the annual Heritage Festival Month. During COVID-19 they have moved their activities online at [meltonfamilyhistory.org](http://meltonfamilyhistory.org)

## Community grants program

Council recognises and values the important contribution individuals and community groups provide to the local community.

Local community organisations are ideally placed to understand local needs and encourage community participation to create significant benefit for the community through the instigation of local programs and projects.

Council provides financial support to community groups through the Community Grants Program, Young Communities Grants Program, and World Environment Day Grants Program.

### 2019/20 Council Grant Program Categories

Council directly provided community funding through the following program categories:

GRANT CATEGORY	PURPOSE	AMOUNT AVAILABLE
<b>Community Grants Program</b>		
Responsive Grants	Financial assistance for projects that provide a timely response to emerging community needs/issues.	Up to \$2,000
Establishment Grants	Supporting establishment costs of new groups.	Up to \$1,500
Semi-Annual Grants	<b>Access to community grants across 2 categories:</b> Community Project Grants – up to \$10,000 Entry-Level Grants – up to \$2,000	Up to \$10,000
Resident Achievement Contributions	Recognises achievements and financial sacrifices made by residents participating in leisure and cultural activities at a higher level.	International \$750 Interstate \$500 State \$250
<b>Young Communities Grants Program</b>		
Project Grants	For projects that aim to address the issues faced by young people in the City of Melton.	Up to \$5,000
Individual Grants	For young individuals (12–25 years) from the City of Melton to further their skills through chosen activities.	Up to \$500
<b>World Environment Day Grants Program</b>		
Environmental Grants	For projects with a primary focus on flora and fauna.	Up to \$10,000
Sustainability Grants	For projects with a primary focus on promoting resource efficiency (waste, water, energy), reducing litter, minimising greenhouse gas emissions, or promoting climate change adaptation.	Up to \$10,000

The following tables below provide a summary of the successful allocation of funds across all program areas for the 2019/20 financial year:

GRANT CATEGORY	NUMBER OF SUCCESSFUL APPLICATIONS	AMOUNT FUNDED
<b>Community Grants Program</b>		
Semi-Annual Grants	40	\$150,012.20
Responsive Grants & Establishment Grants	27	\$32,770.06
Resident Achievement Contributions	12	\$6,250.00
The Club Caroline Springs Grants	11	\$50,000.00
HRV/TABCORP Park Grants	13	\$50,000.00
<b>TOTAL Community Grants Program</b>		<b>\$289,032.26</b>
<b>Young Communities Grants Program</b>		
Project Grants	3	\$10,000.00
Individual Grants	25	\$9,977.14
<b>TOTAL Young Communities Grants Program</b>		<b>\$19,977.14</b>

# Our People

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## Executive team

To support Council in its functions, an Executive Management Team is appointed to administer staff and the operational activities of Council. This team, led by the

Chief Executive Officer, is responsible for managing the implementation of Council's decisions. The Executive Management Team consists of

three General Managers and one Executive Manager, led by the Chief Executive Officer (CEO). The CEO reports directly to Council.



**Kelvin Tori**

**CHIEF EXECUTIVE OFFICER**

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

**Contract period**

May 2020-May 2024

**Remuneration**

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

**Entitlements**

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



**Peter Bean**

**GENERAL MANAGER CORPORATE SERVICES**

Peter Bean holds a Bachelor of Business (Local Government), a Graduate Certificate in Local Government Management and a Masters of Business Administration. Peter has worked for metropolitan Melbourne, interface and north-eastern Victorian councils for over 30 years.

His portfolio covers these areas: Engagement and Advocacy; Finance; Information Technology; People and Culture; Risk and Performance and oversees Council's joint-venture land development, Atherstone.



**Maurie Heaney**

**GENERAL MANAGER COMMUNITY SERVICES**

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

His portfolio covers these areas: Community Care; Families and Children; Community Planning; Recreation and Youth; and Libraries.



**Luke Shannon**

**GENERAL MANAGER PLANNING AND DEVELOPMENT**

Luke Shannon holds a Bachelor of Applied Science (Environmental Planning) and a Graduate Diploma in Cultural Heritage and has worked in local government for over 25 years.

His portfolio covers these areas: Capital Projects; City Design, Strategy and Environment; Compliance; Engineering Services; Operations; and Planning Services.

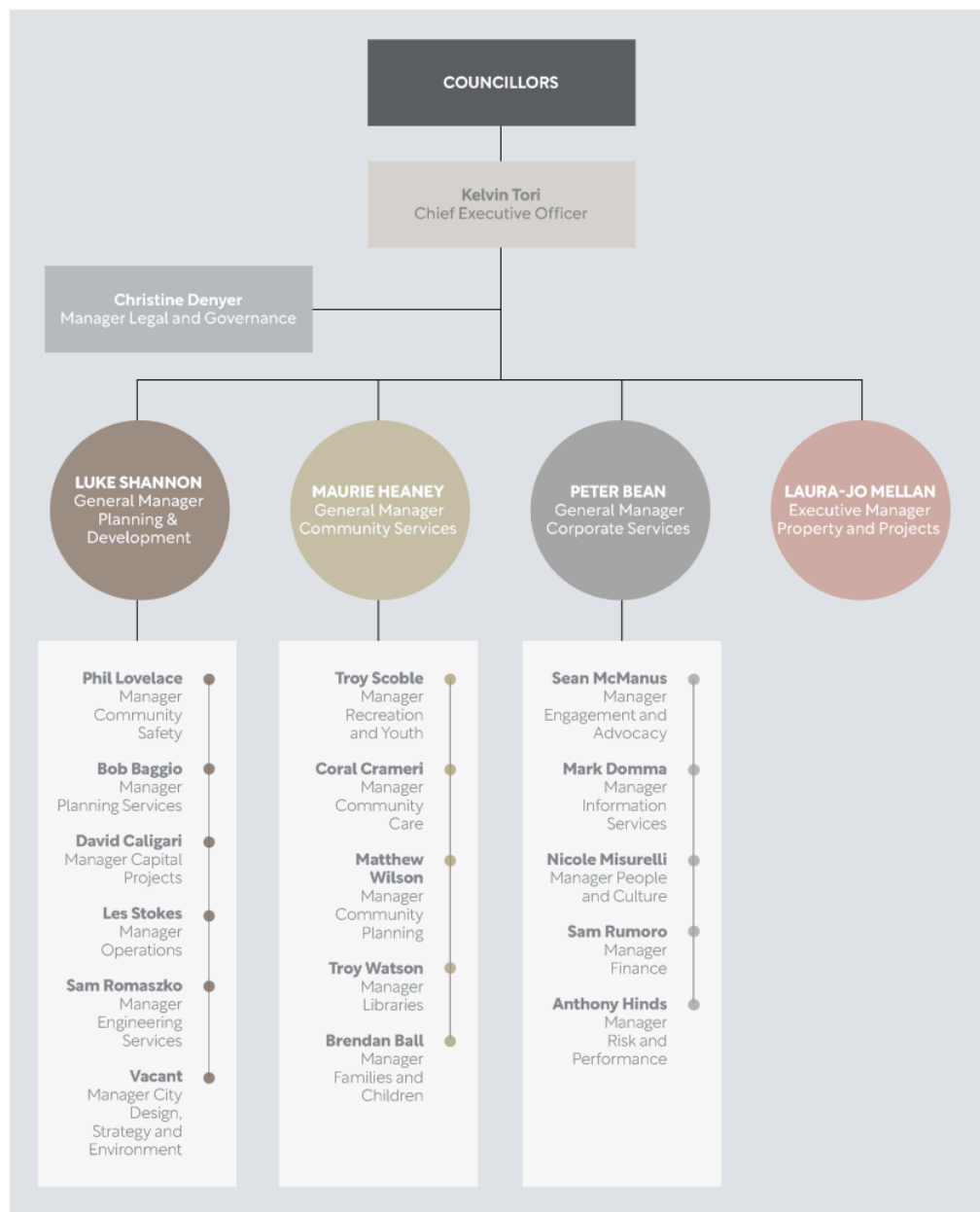


**Laura-Jo Mellan**

**EXECUTIVE MANAGER PROPERTY AND PROJECTS**

Laura-Jo is responsible for strategically managing Council's property portfolio, as well as leading Council's input into key State capital projects to support their timely, planned and efficient delivery.

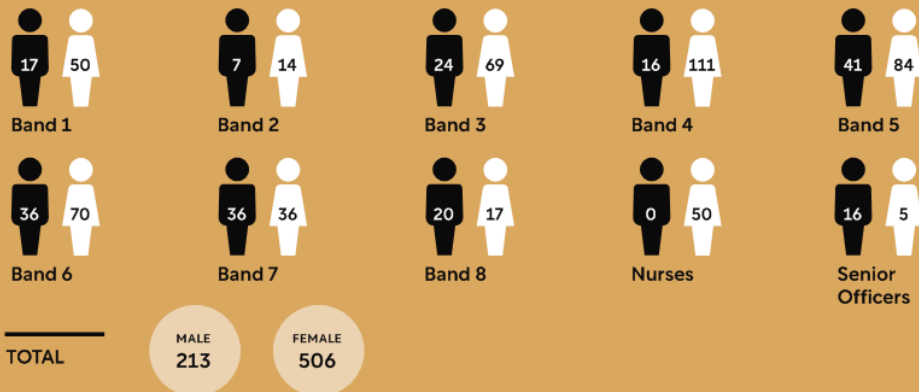
# Organisational Structure



# Employee Breakdown



## Employment by Remuneration Classification



In 2019/2020, Council employed 719 people in full time, part time and casual capacities. This year 247 volunteers also assisted Council to deliver programs, services and events for the City of Melton.



### Equal Employment Opportunity Program

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

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

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

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

Council will continue to identify the barriers to equal opportunity and implement contemporary, relevant initiatives that promote equality in employment. A Flexible Work Arrangements (FWA) Framework was implemented in early 2020 which encourages the establishment of effective FWAs including for reasons such as caring responsibilities, cultural reasons, transition to retirement or any other means to balance work and personal life.



### Enterprise Bargaining Agreement

The Melton City Council Enterprise Bargaining Agreement No 9 2019 was ratified on 16 October 2019 and will be in place until 30 June 2022.

### Professional Development

A variety of professional development opportunities are offered to staff via the Corporate Training Calendar. This framework is funded by People & Culture and provides access to a range of workshops in areas such as business skills, communication skills, Microsoft Office and personal development. In 2019-20, Council offered over 100 workshops across more than 60 subject areas. In addition, a comprehensive induction program was administered along with a number of e-learning modules on compliance topics.

### Leadership Development Program

Council offers comprehensive training opportunities to all leaders, as well as to staff who aspire to lead people. In 2019/20, Council offered five comprehensive streams that included a range of diverse learning opportunities. In 2020, Council unfortunately had to cancel the Emerging Leader Challenge based on ongoing restrictions associated with the COVID-19 pandemic. Council also facilitated a targeted training program, called Elevate, which is specifically designed for nominated high-performing future leaders. Finally, Council coordinated two mentoring cycles and held a development day for all coordinators.

### Reward and Recognition Program

The Reward and Recognition framework provides opportunities for any staff member to nominate another member to be recognised for their contribution in a range of ways. More than 100 staff received recognition through this program in 2019/20. The annual STAR awards recognised the contributions of three outstanding staff members, one outstanding project and one outstanding team, as well as recognising over 100 staff for their length of service.

### Promoting gender equity in the workplace

Council's Family Violence Policy and Procedure supports staff experiencing family violence.

Council also focuses on preventing family violence through its *Equality and Respect 2030: A Strategy to prevent violence against women by promoting gender equity in the City of Melton*. Council recognises gender inequality as the root cause of violence against women and is committed to working towards a gender equitable, safe and inclusive community and workplace.

The Victorian *Gender Equality Act 2020* was enacted on 25 February 2020. Obligations under this legislation begin on 31 March 2021, including the requirement for Council to develop a Gender Equity Action Plan. Work is underway on developing this action plan which will include an unconscious bias training program and women's professional development stream, amongst other measures to work towards gender equity.



## Occupational Health and Safety, Workplace Health and Wellbeing, Injury Management, Return to Work and Enterprise Risk Management

### Occupational Health and Safety (OHS)

Council's OHS system was audited by WorkSafe this year against the National Audit Tool. Councils who are members of the Municipal Association of Victoria Workers' Compensation Self-insurance Scheme are periodically audited by WorkSafe as part of their membership requirements. Pleasingly, the conformance rate was 75%, which is the highest achieved by any of the scheme members over the three years since the scheme was formed.

Council officers interact daily with members of the public, and at times experience aggression and threats. This year Council's new Occupational Violence Information Sharing System was successfully developed and implemented by Information Technology and the OHS team. This system securely stores incident data; authorised employees (only) can access this information and then make an informed decision about safety when dealing with potentially challenging situations.

The OHS team provided essential support to Council's COVID-19 response in terms of staff and community safety, providing regular advice to the Crisis Management Team, and the organisation more broadly. While some OHS staff training was cancelled due to the pandemic, training in manual handling, occupational violence, and first aid and CPR were successfully delivered.

### Workplace Health and Wellbeing

Health and wellbeing of staff drives a high performing organisation. Council promotes and supports employees to make healthier lifestyle choices by providing an array of programs and information. Council provides employees with information and support that enables them to look after their own health and wellbeing in a proactive manner. This year, Council was recognised by the Victorian Government Achievement Program for attaining benchmarks for Physical Activity, Healthy Eating and Mental Health.

Regular updates and messages were sent to staff during the pandemic to support self-care and resilience strategies, and mental health and wellbeing.

Despite COVID-19 impacting a number of our programs, it was pleasing to see the following achievements:

- Dry July, which raised \$1441.73
- The Workplace Health and Wellbeing Reference Group donated \$200 to Movember
- FebFast, which raised \$150
- The Global Challenge physical activity program where 168 employees participated

### Injury Management and Return to Work

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

- 11 new claims for received throughout 2019/20 compared to 15 claims received throughout 2018/19

- At 30 June 2020, Council's portfolio was comprised of 17 open claims in comparison to 20 open claims at 30 June 2019 and 36 open claims at 30 June 2018.

There were 16 lost time injuries, and while Council's lost time injuries per million hours worked is not trending downwards, our musculoskeletal disorders (sprains and strains) are. During the pandemic, with many staff working from home or redeployed into other roles, we have seen a significant reduction in injuries.

### Enterprise Risk Management

Council continued to implement its Fraud and Corruption Control Plan, and accordingly engaged an appropriately qualified consultancy to conduct fraud risk assessments. These are regular snapshots of how Council is minimising the likelihood of serious misconduct, and where processes can be further tightened. The final report, once received, will inform a complete refresh of the Fraud and Corruption Control Plan.

The Risk Management Committee met quarterly, and reviewed the Enterprise Risk Management Framework, agreeing on an action plan to refresh Council's approach. This will include a review of Council's strategic and corporate risk profile.

Information Technology also enhanced Council's online Risk Register tool to enable easier use by Council officers.

# Our Performance

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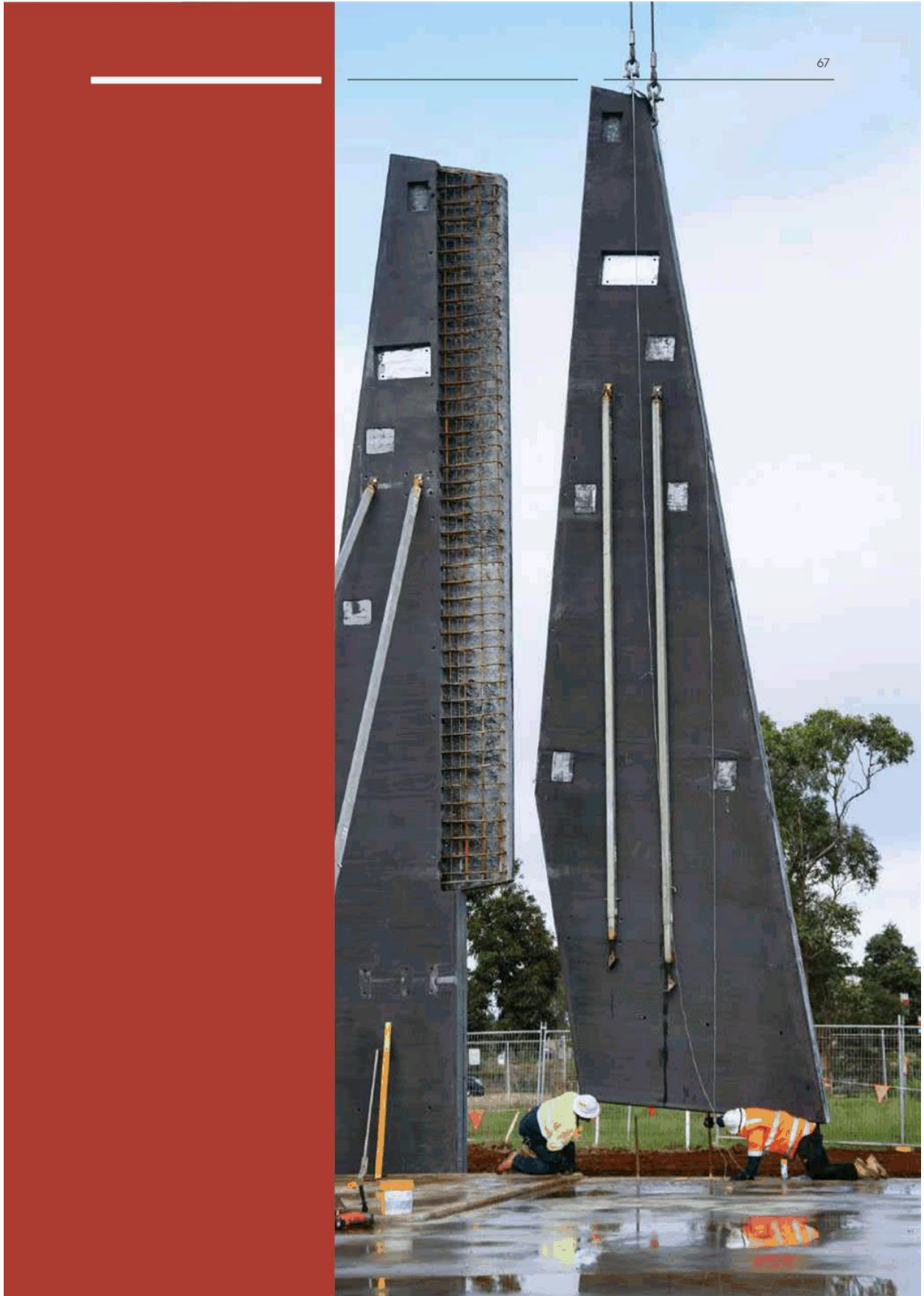
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# Report of Operations

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2019/2020 is the primary means of informing the City of Melton community about Council's operations and performance during the financial year.

## Planning and Accountability Framework

The Victorian Local Government Act requires councils to prepare:

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

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

## Description of Operations

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

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

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

## Melton City Council and Wellbeing Plan 2017-2021

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

### Themes

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

### Strategic Outcome

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

### Objectives

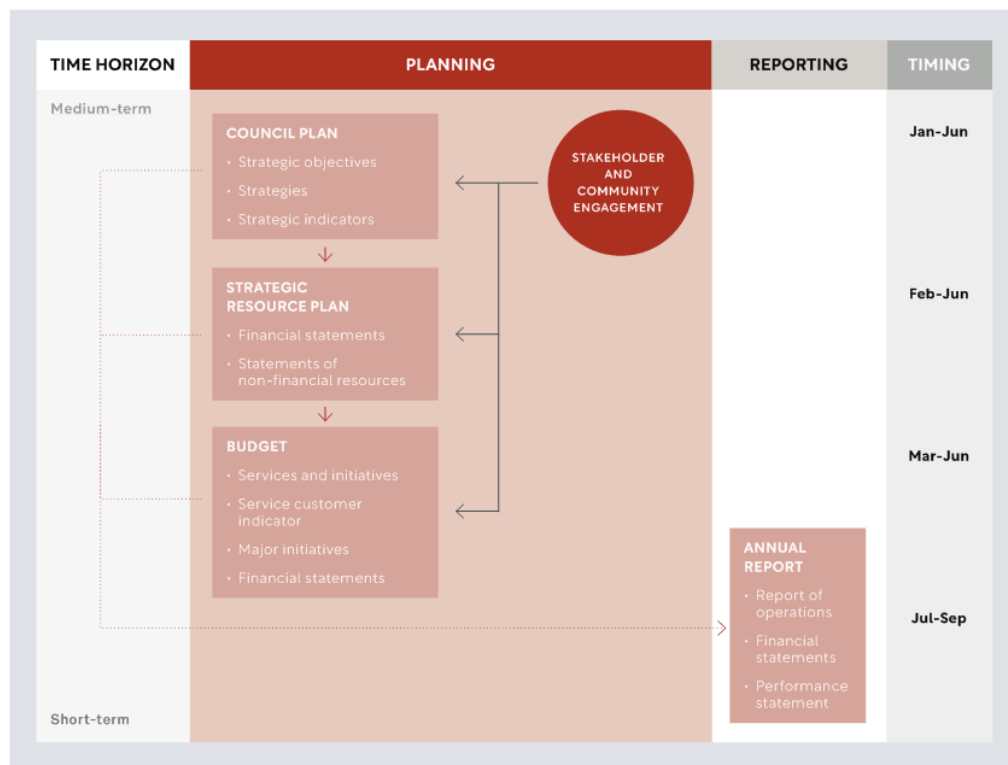
The strategic purpose statements that set the direction to manage underlying issues or take advantage of presenting opportunities.

### Strategies

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

### Strategic Performance Indicators

What is measured to assess performance against Council and Wellbeing Plan strategic objectives.



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

 <p><b>Theme 1</b> A proud, inclusive and safe community</p> <p><b>STRATEGIC OUTCOME</b> A City of people leading happy and healthy lives</p>	 <p><b>Theme 2</b> A thriving and resilient natural environment</p> <p><b>STRATEGIC OUTCOME</b> A City that preserves and enhances its natural environment for future generations</p>	 <p><b>Theme 3</b> A well planned and built City</p> <p><b>STRATEGIC OUTCOME</b> A City with a clear vision to manage growth in a sustainable and accessible way</p>	 <p><b>Theme 4</b> A strong local economy and a lifelong learning City</p> <p><b>STRATEGIC OUTCOME</b> A City rich in local employment and education opportunities</p>	 <p><b>Theme 5</b> A high performing organisation demonstrating leadership and advocacy</p> <p><b>STRATEGIC OUTCOME</b> An organisation operating with innovation, transparency, accountability and sustainability</p>
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## Performance

Council's performance for the 2019/2020 year has been reported against each Council and Wellbeing Plan theme, desired outcome and objective to demonstrate how Council is performing in achieving the 2017-2021 Council and Wellbeing Plan.

How performance is measured:

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

Health and wellbeing is embedded throughout the Council and Wellbeing Plan 2017-2021, cutting through each theme, outcome, objective, strategy and indicator.

The areas with a stronger link to health and wellbeing, are displayed with a 😊 icon.

## Council Annual Action Plan

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

The *2019/2020 Council Annual Action Plan End of Year Performance Report* was presented to Council at the 14 September 2020 ordinary meeting. The report provides commentary on achievements, progress and explanations for delays and postponements. Of the 134 actions documented in the plan, 108 actions were completed, nine actions were on track, 16 actions were not on track, and one action was postponed.

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

## Detailed Performance Analysis

The following outlines Council's performance by theme against the strategic indicators in the 2017-2021 Council and Wellbeing Plan, progress reports against initiatives in the 2019/20 budget, significant achievements for the year, and information in relation to services funded in the 2019-2020 budget. It also provides results for the prescribed service performance indicators and measures as set out in the Local Government Performance Reporting Framework and a look at what the future holds.



# Theme 1: A Proud, Inclusive and Safe Community

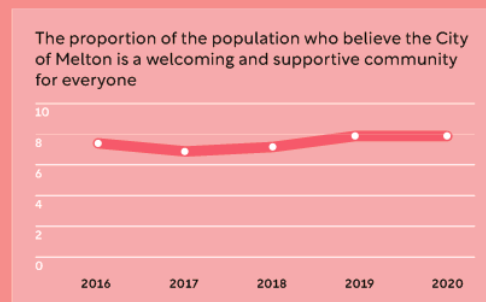
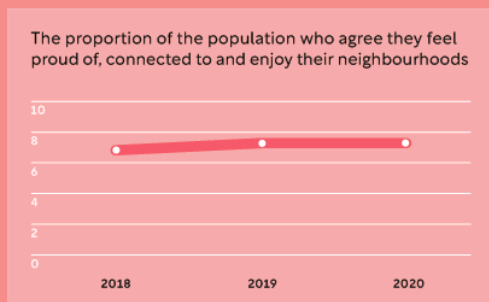
## Strategic outcome

A city of people leading happy and healthy lives

### OBJECTIVE 1.1

A community where all people feel welcome, valued and proud 😊

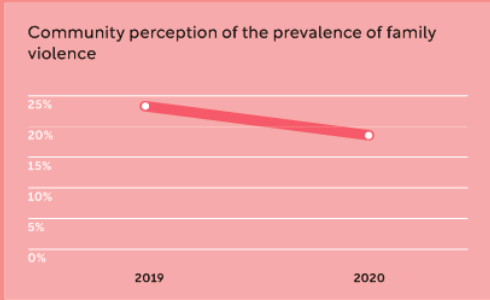
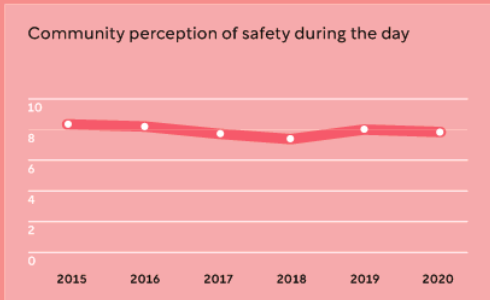
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
The proportion of the population who agree they feel proud of, connected to and enjoy their neighbourhoods 😊 <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.03	7.34	7.35	The result for 2019/2020 is not significantly different to the previous year.  It indicates the community generally "strongly agrees" the Melton are proud of, connected to and enjoy their neighbourhoods.
The proportion of the population who believe the City of Melton is a welcoming and supportive community for everyone 😊 <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.57	7.91	7.91	The 2019/20 result is the same as that of the previous year. It indicates the community generally "strongly agrees" the Melton welcomes and supports everyone.



**OBJECTIVE 1.2**

**A safe and equitable community 😊**

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community perception of safety during the day 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.43	7.9	7.81	The 2019/20 result is similar to that of the previous year. It indicates the community generally "strongly agree" they feel safe during the day.
Community perception of safety at night 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	5.64	6.18	5.68	The 2019/20 result has declined compared to the previous year but comparable to the 2018 result. The Melton and Rural precincts felt significantly less safe than the municipal average. This result remains a significant issue for Melton.
Community perception of the prevalence of family violence 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	28.6% agree	23.4% agree	19.0% agree	The result this year has improved from previous years, in part due to 64% of respondents "Can't Say" compared to 24% "Can't Say" in the previous year. As a result of COVID-19 the survey was conducted by phone where in previous years it has been conducted "face to face". This too may be a contributing factor.



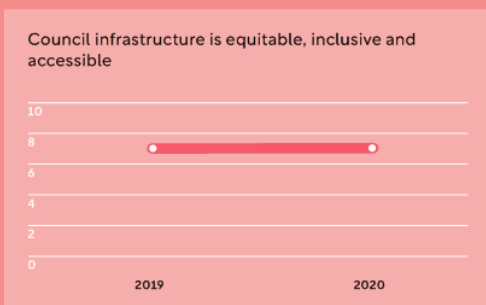
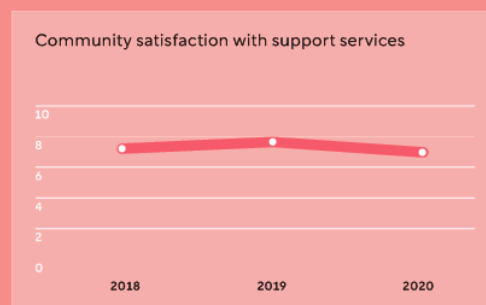
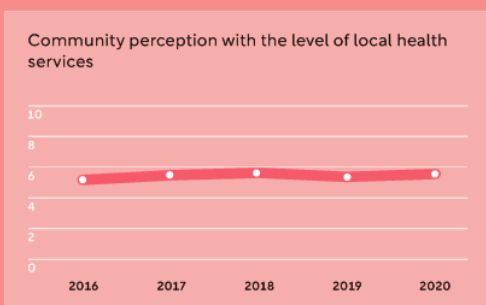
Our Performance

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OBJECTIVE 1.3

Equitable, inclusive and accessible community and health infrastructure services 😊

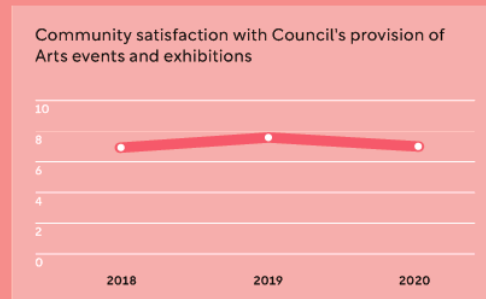
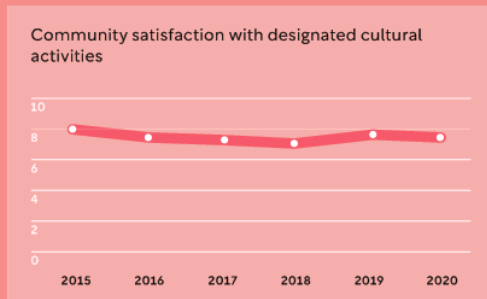
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with the level of access to local health services 😊 <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.53	7.32	7.49	The 2019/20 result is a small improvement to that of the previous year. It indicates the community generally "agreed" or "strongly agreed" they can access local health services when they need to.
Community satisfaction with support services 😊 <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.32	7.76	7.32	The 2019/20 result is a small decline from that of the previous year. It indicates the community generally considers the support services provided in Melton to be "very good".
Council infrastructure is equitable, inclusive and accessible 😊 <small>Source: Metropolis Community Satisfaction Survey 2020</small>	Not Applicable	7.07	7.11	The 2019/20 result is similar to that of the previous year. It indicates the community generally "agreed" or "strongly agreed" that Council infrastructure is equitable, inclusive and accessible.



**OBJECTIVE 1.4**

**A resilient community promoting social cohesion 😊**

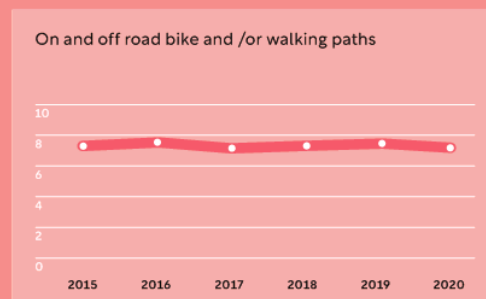
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with designated cultural activities 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.22	7.65	7.33	The 2019/20 result shows a small decline compared to that of the previous year. It indicates a "very good" level of satisfaction with cultural activities in Melton.
Community satisfaction with Council's provision of Arts events and exhibitions 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.09	7.70	7.03	The 2019/20 result has declined measurably compared to the previous year. It indicates the community generally considers the provision of arts and exhibitions to be "good".



**OBJECTIVE 1.5**

**Environments that enable and encourage positive public health and wellbeing outcomes 😊**

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with recreational facilities and leisure centres 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.54	7.52	7.35	The 2019/20 result has declined compared to the previous years. Although it has declined the community satisfaction continues to rate as "very good".
On and off road bike and/or walking paths 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.3	7.5	7.41	The 2019/20 result has declined marginally compared to the previous year. It indicates community satisfaction with on and off road bike / walking paths is "very good"



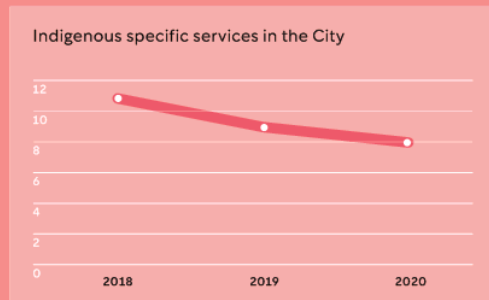
Our Performance

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**OBJECTIVE 1.6**

Reconciliation to support healthy communities' 😊

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Indigenous specific services in the City 😊	11	9	8	Results for this indicator remain consistent with the previous years.



The following statement reviews the progress of Council in relation to Initiatives identified in the 2019/2020 Budget for the year.

Major Initiatives	Progress	Comments
1) Needs assessment and scoping study for a Performing Arts Centre (\$150,000)	Ongoing	Stage 1 of the study is complete and was presented to Council on 14 April 2020. Work has commenced on Stage 2 which will be presented to Council September 2020.
2) Redevelopment of Brookside Pavilion (\$450,000)	Ongoing	The design stage has commenced

Initiatives	Progress	Comments
3) Support to Combined Churches Caring Inc. (\$20,500)	Completed	The funding has been provided in full.
4) Scholarships for Young People (Western Chances) (\$5,000)	Completed	The funding has been provided in full.
5) Construction of an additional cricket net at the Sydenham Hillside Cricket Ground (\$38,500)	Completed	Construction has been completed.
6) Support to the Melton South Community Centre (\$12,000)	Completed	The funding has been provided in full.
7) Support to Western Emergency Relief Centre (\$10,000)	Completed	The funding has been provided in full.
8) Investigate and design internal storage within the Satellite City Soccer Club existing pavilion (\$10,000)	Completed	The initiative has been completed.



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Melton City Council

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Initiatives	Progress	Comments
9) Provision of six starting blocks for the 25 metre pool at Melton Waves (\$13,800)	Completed	Starting blocks have been installed.
10) Replace existing equipment at the Toolern Vale Tennis Court playground (\$30,000)	Completed	Playground equipment has been replaced.
11) Initial design of stadium seating at the Bridge Road Athletics Facility (\$60,000)	Ongoing	Quotations being prepared for the design phase of the initiative
12) Concreting and the provision of a portable building at the Melton South Community Centre (\$33,300)	Completed	Modular meeting room has been installed on concrete footings to provide an additional meeting space for the tenant. Covered walkway/ veranda has been installed to provide all weather access to the meeting room.
13) Promotion / advertising actions to illuminate family violence in the Municipality (\$20,000)	Completed	A range of promotional activities were undertaken as part of 16 Days of Activism (November-December) including coffee cups and stair decals with 16 Days imagery and fortune cookies with conversation-starter questions.
14) Hosting of a Preventing Family Violence conference or forum (\$20,000)	Not Completed	The Preventing Family Violence Symposium scheduled for 22 April 2020 was not held as result of COVID-19.
15) Public safety and fencing improvements to the Blackwood Drive Recreation Reserve (\$55,000)	Completed	The fencing improvements have been completed.
16) Install a verandah at the Melton South Community Centre and a shelter for children using the playground (\$15,000)	Completed	Veranda has been installed on the south wall of the facility located within the children playground space. This will provide all weather shelter for users of this space.
17) Provide crushed rock from the emergency entrance gate to the timekeepers box at the Hillside Recreation Reserve (\$15,000)	Completed	Works have now been completed.
18) Installation of grandstand seating at Hillside Recreation Reserve (\$29,000)	Ongoing	Quotes have been prepared and the application for a building permit submitted.
19) Increase the intercultural aspect of the Djerriwarrh Festival (\$6,000)	Completed	An additional \$6,000 was allocated to the Intercultural Stage at Djerriwarrh Festival. Funds were managed by the Intercultural Officer and were used in part to increase the quality of performers on the stage throughout the day. The remaining funds were used to engage a videographer to produce a short video clip featuring the Intercultural Stage. This video was produced and will be rolled out (and utilised) as planned.
20) Options and costing for an additional cricket net at Burnside Heights Recreation Reserve (\$20,000)	Ongoing	The club has now sourced the co-contribution and the project is now ready to commence.
21) In conjunction with Football Victoria, develop a football (soccer) strategy for the City of Melton (\$30,000)	Ongoing	A draft report has been completed.
22) Renewal of existing flooring at the Melton Phoenix Football Club (\$20,000)	Completed	The initiative has been completed.
23) Interim maintenance works (drainage) at Mt Cottrell Recreation Reserve (\$7,500)	Completed	Interim maintenance work has been completed.

### Significant Achievements for the Year

- Timbertop Children's and Community Centre has been licenced to operate Kindergarten and Long Day Care services. Fraser Rise has been licenced to operate Kindergarten and Occasional Care. Services at Fraser Rise and Timbertop commenced from Term 1, 2020.
- The City of Melton Youth Awards and Grants Program was delivered, however due to COVID-19 the awards ceremony was cancelled (more information can be found under the "Our Community" section of the Annual Report).
- Conferred citizenship to 2,181 residents
- The Melton Community Achievement Awards were delivered at an awards ceremony in November 2019 (more information can be found under the "Our Community" section of the Annual Report).
- The Melton City Council Sports Awards event was delivered with approximately 150 people in attendance (more information can be found under the "Our Community" section of the Annual Report).

The following statement provides information in relation to the services funded in the 2019-2020 budget and the persons or sections of the community who are provided the service.

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

● Service    ● Description

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

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Aquatic Facilities</b>				
<b>Service standard</b> AF2 Health inspections of aquatic facilities <small>[Number of authorised officer inspections of Council aquatic facilities/number of Council aquatic facilities]</small>	1	2	1	There has been no significant variance over previous years.
<b>Utilisation</b> AF6 Utilisation of aquatic facilities <small>[Number of visits to aquatic facilities / Municipal population]</small>	1.69	1.57	0.96	Attendance figures were low during the last quarter due to COVID-19 with the centre closed from 23/3/20 and partially opened for a short period during June 2020.
<b>Service cost</b> AF7 Cost of aquatic facilities <small>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</small>	Not applicable	Not applicable	\$5.18	From 2020, this indicator replaced two previous indicators: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'. This is a new indicator for 2019/20 and as such there is no comparative data available.  As a result of COVID-19, Council was required to pay penalties to the contractor for the period of time the centre was closed. In addition whilst the centre was closed additional maintenance works were undertaken to the centre.
<b>Maternal and Child Health</b>				
<b>Service standard</b> MC2 Infant enrolments in the MCH service <small>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100</small>	100.00%	101.82%	100.69%	Although the number of infants enrolled in the service and the number of birth notifications have both increased, there is only a small change to the result compared to previous years. It is expected the increase in both will continue into the near future.
<b>Service Cost</b> MC3 Cost of MCH Service <small>[Cost of the MCH service / Hours worked by MCH nurses]</small>	\$89.95	\$86.42	\$81.83	An assertive recruitment process and a coordinated investment campaign in the graduate nurses program has just recently resulted in an almost fully staffed MCH service.
<b>Participation</b> MC4 Participation in the MCH service <small>[Number of children who attend the MCH service at least once in the year / Number of children enrolled in the MCH service] x100</small>	68.95%	66.92%	64.86%	Although the number of face-to-face consultations is down, MCH continues to provide support and guidance to the community. The addition of new nursing staff enabled Council to use telehealth throughout the COVID 19 period.

Our Performance

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Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<p><b>Participation</b> MC5 Participation in the MCH service by Aboriginal children</p> <p>[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</p>	57.31%	57.28%	70.63%	Work through the Compact partnership program with State Government, as well as the reintroduction of the Outreach service and working alongside the successful Babaneek Booboop program has improved the MCH services contact and support of the Aboriginal Community.
<p><b>Participation</b> MC6 Participation in 4-week Key Age and Stage visit</p> <p>[Number of 4-week key age and stage visits / Number of birth notifications received] x 100</p>	Not applicable	Not applicable	97.06%	This is a new indicator for 2019/20 and as such there is no comparative data available. The service was able to continue during Covid-19 through the use of virtual meetings with clients.

# Theme 2: A Thriving and Resilient Natural Environment



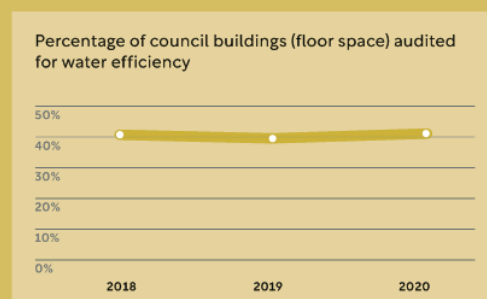
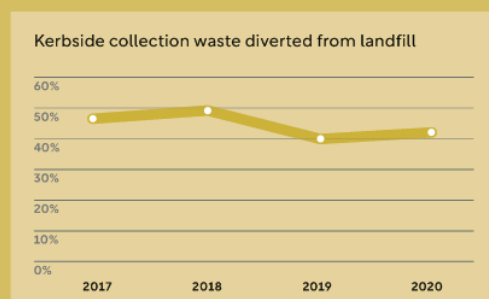
## Strategic outcome

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

### OBJECTIVE 2.1

A resource efficient City

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Kerbside collection waste diverted from landfill*	49.3%	40.26%	43.4%	Total kerbside waste volumes has increased by 3% since last financial year. Kerbside organics has increased by approximately 3000 tonnes and kerbside recycling has increased by approximately 970 tonnes.
Percentage of Council buildings (floor space) audited for water efficiency	41.15%	41.15%	41.2%	The priority to date has been the implementation of the existing audit reports prior to commissioning new ones. Although some upgrades have been actioned through our regular maintenance regime, there are still opportunities for environmental improvements and cost savings to be realised through audit recommendations. The Environment Plan will be reviewed for the 2020/2021 financial year and will assess next best steps in more detail.





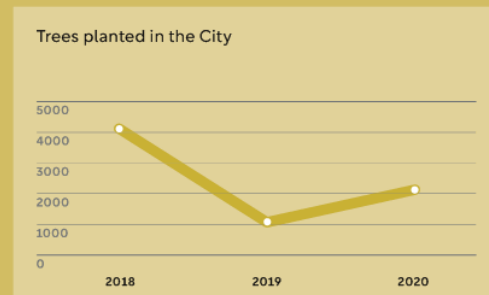
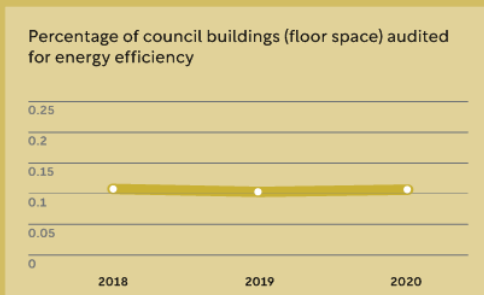
Our Performance

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OBJECTIVE 2.2

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

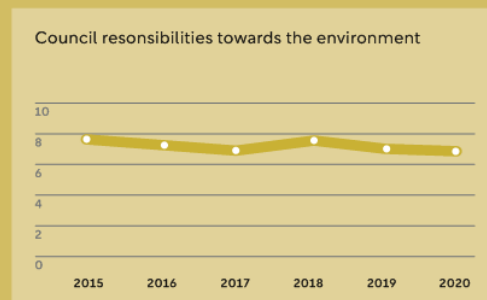
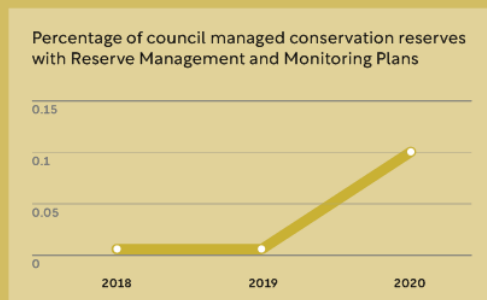
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Percentage of Council buildings (floor space) audited for energy efficiency	10.88%	10.88%	11.0%	The priority to date has been the implementation of the existing audit reports prior to commissioning new ones. Although some upgrades have been actioned through our regular maintenance regime, there are still opportunities for environmental improvements and cost savings to be realised through audit recommendations. The Environment Plan will be reviewed for the 2020/2021 financial year and will assess next best steps in more detail.
Trees planted in the City	4,000	1,100	2,000	The number of trees planted is dependent on annual funding that can fluctuate. It is anticipated that the number of trees planted in 2020/21 will increase significantly.



**OBJECTIVE 2.3**

**A City with healthy waterways, biodiversity and ecosystems**

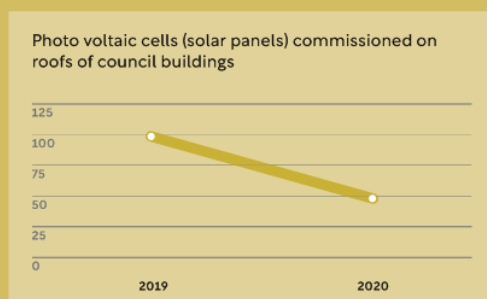
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Percentage of Council managed conservation reserves with Reserve Management and Monitoring Plans	1%	1%	10.0%	The priority to date has been the implementation of the existing audit reports prior to commissioning new ones. Although some upgrades have been actioned through our regular maintenance regime, there are still opportunities for environmental improvements and cost savings to be realised through audit recommendations. The Environment Plan objectives will be reviewed for the 2020/2021 financial year and will assess next best steps in more detail.
Council responsibilities towards the environment <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.56	7.24	7.17	The 2019/20 result has declined marginally compared to the previous year. Although there is a small decline it is still a "good" result.



**OBJECTIVE 2.4**

**A City growing and developing sustainably**

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Photo voltaic cells (solar panels) commissioned on the roofs of Council buildings	0 kilowatts	99 kilowatts	50 kilowatts	Projects included Fraser Rise Community Centre, Kurunjang Community Centre, Timbertop Community Centre and Melton Central Community Centre.



Our Performance

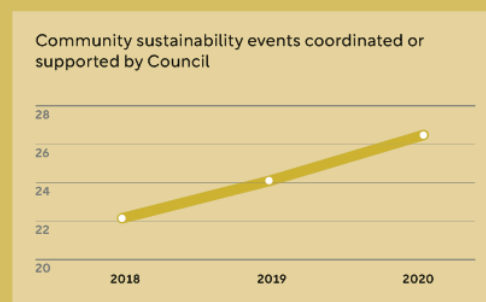
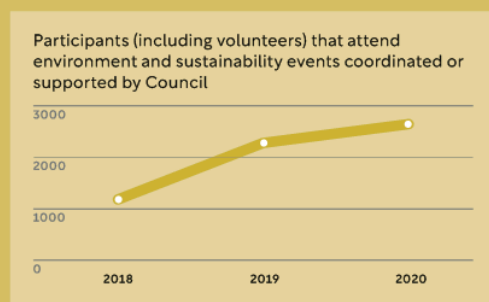
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OBJECTIVE 2.5

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

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Participants (including volunteers) that attend environment and sustainability events coordinated or supported by Council	1,346	10.88%	11.0%	Face to face events cancelled from early 2020 due to COVID-19 lockdowns.
Community sustainability events coordinated or supported by Council	22	24	26	Face to face events cancelled from early 2020 due to COVID-19 lockdowns.

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



Significant Achievements for the Year

- Council adopted a new Waste Diversion and Education Strategy aimed at kerbside resource recovery increasing to 75% in the next five years.
- Council continued to support local environmental groups and schools through the delivery of a range of environmental programs and activities.

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

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

● Service ● Description

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

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Waste</b>				
<b>Satisfaction</b> WC1 Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	172.9	171.2	304.78	There has been a 21% increase in bin requests this year (approximately 3,600 additional requests, the majority of these are requests for new bins at 2,700 requests). Other requests (such as repairs, replacements and stolen bins) have also increased since last financial year however volumes are relative with population growth.  **An incorrect figure of 67.65 was provided for 2017/18. The correct number of requests was 8,460 giving an amended result of 172.90.
<b>Service standard</b> WC2 Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.26	4.65	1.54	Whilst there has been an increase in the number of tenements we have seen a significant improvement in the collection contractor's performance this year. Missed services have reduced by 168% this year, this equates to an average of 67 households missed per month vs 182 households missed per month in the previous financial year. This is due to improved routing of collections vehicles and new fleet under the new contract, also the contractor's dedication to improved customer service.
<b>Service cost</b> WC3 Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$104.12	\$99.95	\$118.84	Whilst we have seen a slight increase in waste diversion this year, population growth and an increase in the landfill levy has resulted in additional costs for garbage collection and disposal this financial year. Council pays a 'per bin lift rate' therefore collection costs will increase irrespective of diversion results.
<b>Service cost</b> WC4 Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$24.50	\$24.97	\$43.61	Population growth and an increase in kerbside materials has resulted in an increase in service costs since last financial year. Council pays a 'per bin lift rate' therefore collection costs will increase irrespective of the total volumes collected. Kerbside organics has increased by 3,000 tonnes and recycling has increased by approx. 970 tonnes resulting in total processing costs being increased. The "per tonne" rate for recycling has also increased under the current processing contract and additional penalties have applied for contamination.

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<p><b>Waste diversion</b></p> <p>WC5 Kerbside collection waste diverted from landfill</p> <p><small>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</small></p>	49.30%	40.26%	43.41%	<p>Whilst there has been an increase in total waste collected (expected with population growth), Council's data indicates that diversion by residents has increased by nearly 4,000 tonnes. Our residents currently divert 43.41% of their kerbside waste from landfill, this reflects an increase of 3.15% compared to the same time last year.</p>



# Theme 3: A Well Planned and Built City

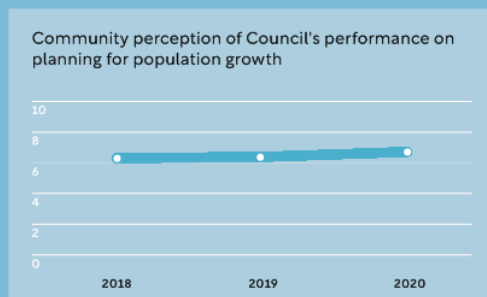
## Strategic outcome

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

### OBJECTIVE 3.1

A City that strategically plans for growth and development

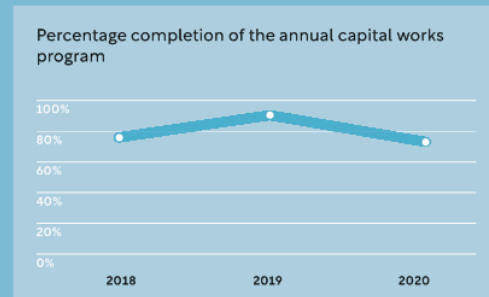
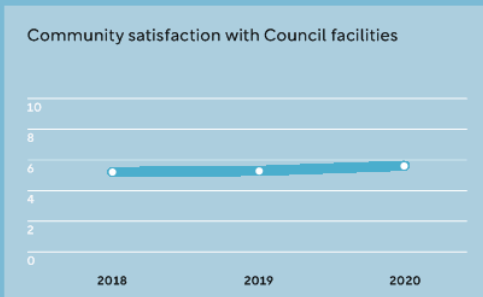
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community perception of Council's performance on planning for a growing population <small>Source: Metropolis Community Satisfaction Survey 2020</small>	6.4	6.35	6.47	The 2019/20 result has improved marginally compared to the previous years. It indicates the community generally considers planning for population growth in Melton to be "solid".



**OBJECTIVE 3.2**

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

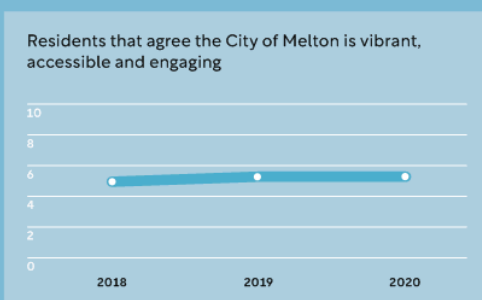
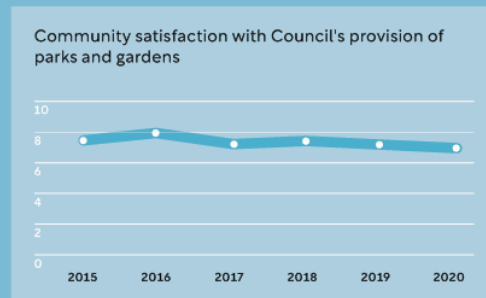
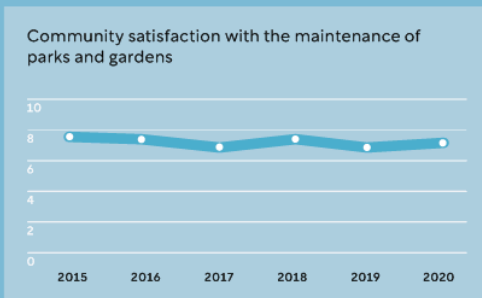
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with Council facilities 😊 <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.32	7.35	7.34	The 2019/20 result is similar to that of the previous years. It indicates a "very good" level of community satisfaction with Council facilities.
Percentage completion of the Annual Capital Works Program	76.0%	90%	73%	Total spend for 2019/20 was \$54.4M against a budget of \$74.7 which equates to 73% delivery of the Capital Works Program which is slightly below the target of 75%. Various factors impacted the ability to achieve the 75% target including COVID-19, project delays and profiling of projects across financial years.



**OBJECTIVE 3.3**

Public spaces that are vibrant and engaging places for all 😊

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with the maintenance of parks and gardens 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.33	7.06	7.29	The 2019/20 result has marginally increased compared to that of the previous year. It indicates a "very good" level of community satisfaction with how parks and gardens in the municipality are maintained.
Community satisfaction with Council's provision of parks and gardens 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.44	7.38	7.29	The 2019/20 result is similar to that of the previous year. It indicates a "very good" level of community satisfaction with the provision of parks and gardens in the municipality
Residents that agree the City of Melton is vibrant, accessible and engaging <i>Source: Metropolis Community Satisfaction Survey 2020</i>	6.95	7.07	7.09	The 2019/20 result is similar to that of the previous year with a marginal improvement. It indicates a "strong" level of agreement across the community that Melton is vibrant, accessible and engaging.



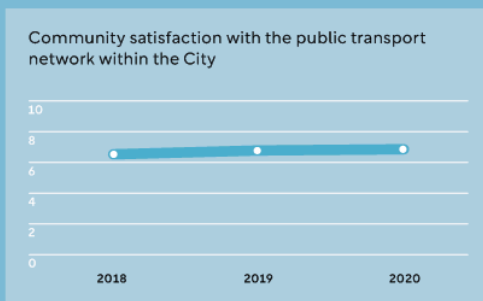
Our Performance

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**OBJECTIVE 3.4**

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

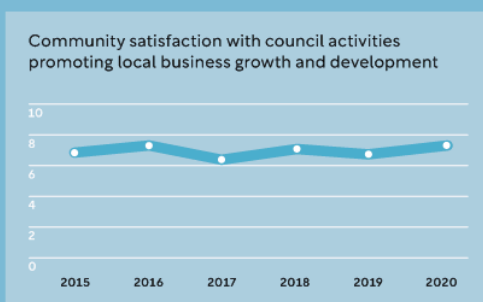
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with the public transport network within the City <i>Source: Metropolis Community Satisfaction Survey 2020</i>	6.57	6.81	6.97	The 2019/20 result has marginally improved over the previous years. It indicates the community satisfaction with the public transport network is "good".
Community satisfaction with parking and traffic management in the City <i>Source: Metropolis Community Satisfaction Survey 2020</i>	6.80	6.82	6.79	The 2019/20 result is similar to that of the previous year. It indicates the community satisfaction with parking and traffic management in Melton is "good".



**OBJECTIVE 3.5**

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

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction with Council activities promoting local business growth and development <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.06	6.87	7.21	The 2019/20 result has improved compared to that of the previous years. Whilst it has improved the community generally considers Council's activities in promoting local business growth and development to be "good".



The following statement reviews the progress of Council in relation to Initiatives identified in the 2019/2020 Budget for the year.

Major Initiatives	Progress	Comments
24) Installation of a dedicated right turn lane to Taylors Hill Shopping Centre (\$190,352)	Ongoing	This project is currently in the delivery phase, with service relocations in progress. Completion of the works is scheduled for December 2020.

Initiatives	Progress	Comments
25) Installation of flag signage along the freeway promoting the Melton Botanical Gardens (\$1,200)	Not completed	An alternate proposal for the use of funds for directional signage within the Melton Botanic Garden. No action on this to date.
26) Design for the upgrade of Mechanics, Burton and Creamery Roads, Toolern Vale (\$150,000)	Ongoing	This project is currently in the preplanning phase, with the design in progress. The design is scheduled for November 2020.

### Significant Achievements for the Year

- The Cobblebank Metropolitan Activity Centre Urban Design Framework (previously named Toolern Town Centre Urban Design Framework) was adopted by Council at the Ordinary Council Meeting of 9 December 2019.
- The Toolern Employment Area Urban Design Framework was adopted by Council at the Ordinary Council Meeting of 9 December 2019.
- Stage 1A works of the Eynesbury Active Open Space precinct have been completed
- Construction of the City Vista sports precinct was completed.

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

	Net Cost Actual Budget Variance \$000
<b>Engineering Services</b>	
Provision of engineering planning and design, strategic transport planning, assets and geographic information system management, traffic management and civil infrastructure planning.	\$2,333 \$4,274 \$1,941
<b>Planning</b>	\$798
Provision of assessment of planning and subdivision proposals under the relevant planning and subdivision legislation, and ensuring compliance with the planning controls. Services provided include the assessment of Planning and Subdivision Applications, pre-application consultation, planning advice, post permit approvals, issue of Statements of Compliance, and collection, monitoring and reporting of development contributions.	\$1,809 \$1,011
<b>Capital Projects</b>	
Capital Projects is responsible for the planning, design and construction of a complex suite of new civil and community infrastructure within an operational framework delivering a works program via project management processes and controls. The unit's primary responsibility is to achieve the timely programming and roll-out of Council's capital projects.	\$2,325 \$1,868 -\$457

● Service ● Description



## Our Performance

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

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Roads</b>				
<b>Satisfaction of use</b> R1 Sealed local road requests <small>[Number of sealed local road requests / Kilometres of sealed local roads] x100</small>	26.37	37.87	53.19	There has been a significant increase to number of requests this year across all Transport categories. This is primarily due to the significantly large number of new subdivisions that have started in this financial year.
<b>Condition</b> R2 Sealed local roads maintained to condition standards <small>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</small>	93.81%	96.52%	96.61%	The result for this year is comparable to previous years and continues to be a good result.
<b>Service cost</b> R3 Cost of sealed local road reconstruction <small>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</small>	\$78.47	\$0.00	\$35.18	No reconstruction was undertaken in 2018/19 as a result of reprioritisation of the Road Rehabilitation Program with projects from that year completed during 2019/20. This has led to a significant increase in the amount of sealed roads reconstructed when compared to previous years. It should be noted that the projects completed in those years were much smaller and therefore more costly.
<b>Service cost</b> R4 Cost of sealed local road resealing <small>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</small>	\$10.04	\$0.00	\$6.37	No resealing of sealed local roads was undertaken in 2018/19 as a result of reprioritisation of the Road Rehabilitation Program with projects from that year completed during 2019/20. As a result there was a significant increase in the amount of sealed local roads resealed in 2019/20. When compared to previous years, it should be noted that the projects completed in those years were much smaller.
<b>Satisfaction</b> R5 Satisfaction with sealed local roads <small>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</small>  <small>Source: Metropolis Community Satisfaction Survey 2020</small>	63	71	67	The 2019/20 result is similar to that of the previous year. It indicates the community is generally satisfied with the condition of sealed local roads.  Comparative data prior to 2019 was sourced from the Local Government Customer Satisfaction Survey, no longer being utilised by Melton.

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Melton City Council

Annual Report 2019/2020

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Statutory Planning</b>				
<b>Timeliness</b> SP1 Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	64 days	83 days	82 days	There has been little or no change to the median number of days taken to decide planning applications compared to the previous year. The result for last year and this year is significantly higher than the preceding two years as a result of more complex applications being submitted.
<b>Service standard</b> SP2 Planning applications decided within required time frames [(Number of planning application decisions made within 60 days + Number of Vic Smart planning application decisions made within 10 days) / Number of planning application decisions made] x 100	75.82%	67.45%	48.14%	Both the number of "Planning applications determined within 60 days" and the number of "Vic Smart applications determined within 10 days" have decreased over the past two years. The complexity of these applications during this time has been a contributing factor to this decrease. The significant decrease in 2020 is also impacted by COVID-19.
<b>Service cost</b> SP3 Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,010.65	\$2,627.45	\$3,822.92	Although there has been a decrease in the number of planning applications received, in part due to COVID-19, the increase in the direct cost of the statutory planning service over the past 12 months can be attributed to a restructure of the Planning department to accommodate the continuing population growth across the municipality. New positions have been created to allow the service to continue to meet demand. There has also been an increase in legal fees in relation to the provision of legal advice and legal representation at VCAT hearings.
<b>Decision making</b> SP4 Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	25.00%	40.00%	100.00%	There has been less Council applications determined at VCAT due in part to COVID-19 which has resulted in the adjournment/postponement of some hearings to the end of 2020. However, there has been a significant increase in number of VCAT decisions which did not set aside Council's decision in relation to a planning application.

# Theme 4: A Strong Local Economy and Lifelong Learning City

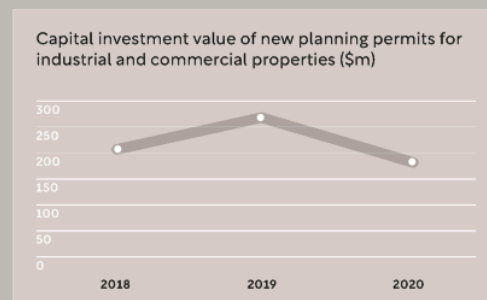
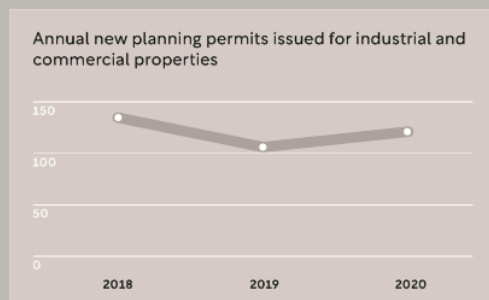
## Strategic outcome

A City rich in local employment and education opportunities

### OBJECTIVE 4.1

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

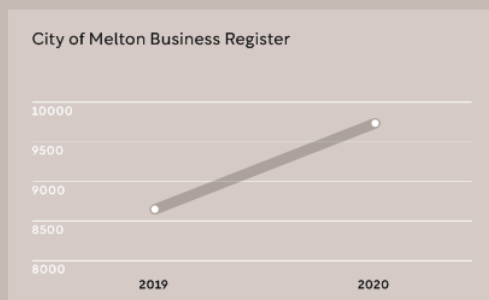
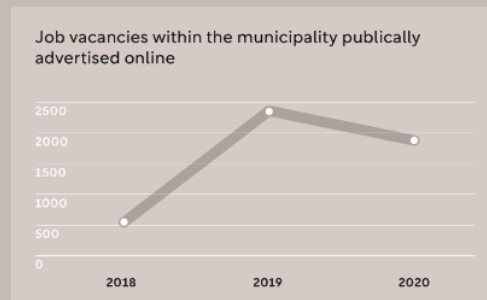
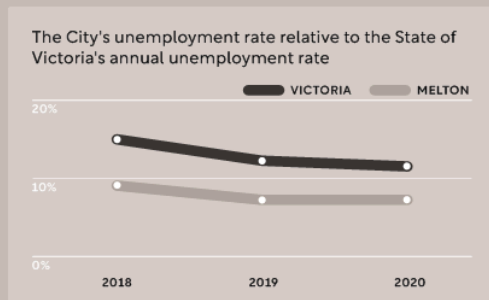
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Annual new planning permits issued for industrial and commercial properties	137	110	127	A total of 127 permits were issued for new industrial and commercial properties for the year representing approximately 33.7% of all planning permits issued.
Capital investment value of new planning permits for industrial and commercial properties	\$199,793,677	\$269,107,085	\$184,986,711	Investment comprised a mix of small scale commercial and industrial developments, changes of land use, larger scale warehouse and distribution uses and neighbourhood activity centre developments consisting of supermarkets, shops and retail premises.



**OBJECTIVE 4.2**

More local employment options with an increasing number of residents employed 😊

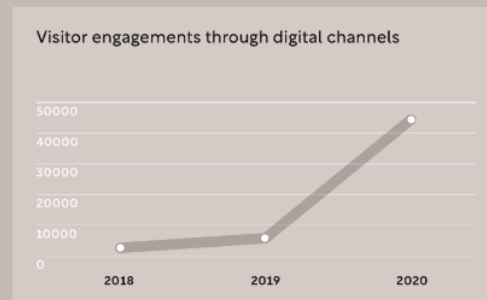
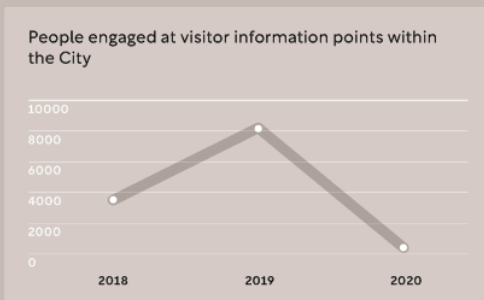
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
The City's unemployment rate relative to the state of Victoria's annual unemployment rate	9.2% (Melton CC)	6.7% (Melton CC)	6.8% (Melton CC)	The unemployment rate has remained fairly consistent throughout 2019/20, though it is anticipated that when the final quarter figures are reported that there will be a substantial increase in unemployment due to the impact of COVID-19.
	5.9% (Vic)	4.7% (Vic)	4.5% (Vic)	
Job vacancies within the municipality publically advertised locally	496	2,296	1,839	Despite a significant downturn in job advertisements in April 2020 due to COVID-19, the overall jobs market was fairly steady, though not as high as in 2019.
City of Melton Business Register	Not Applicable	Total Businesses = 8688	Total Businesses = 9472	New business registrations have continued to grow which is an expected outcome tied to the population growth. 2020 Non-employing = 6336 1 - 19 employees = 3027 20 - 199 employees = 106 200+ employees = 3 Total Businesses = 9472



**OBJECTIVE 4.3**

A visitor economy that adds value to local businesses 😊

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
People engaged at visitor information points within the City	3,555	8,246	725	With the closure of the Visitor Information Centre in late 2018 there has been decreased emphasis on face-to-face engagement with visitors with more focus on using digital technology to engage with visitors. The COVID-19 pandemic has had a significant impact on this indicator.
Visitor engagements through digital channels	1,977	7,325	44,984	Despite a significant downturn in job advertisements in April 2020 due to COVID-19, the overall jobs market was fairly steady, though not as high as in 2019.

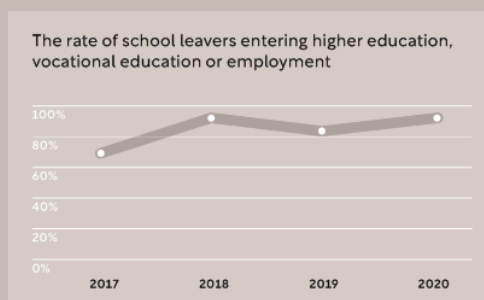
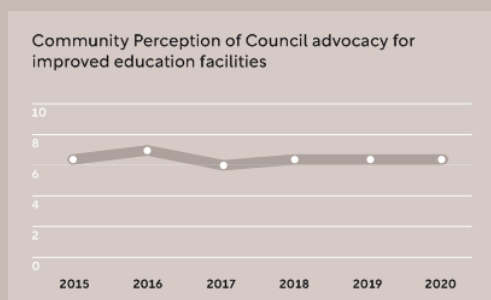




**OBJECTIVE 4.4**

**A City with a variety of local education facilities and programs 😊**

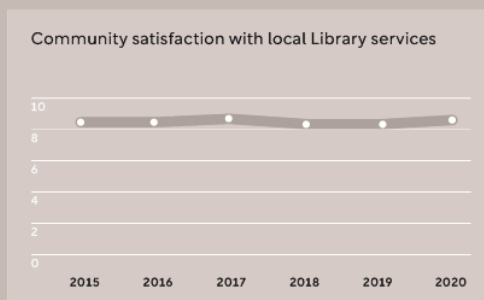
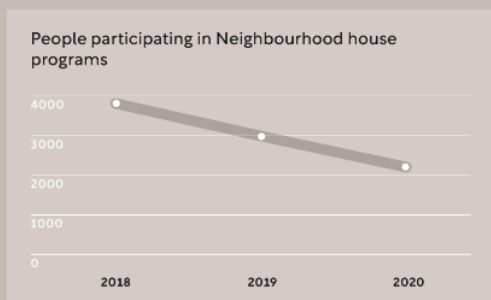
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community perception of Council advocacy for improved education facilities <i>Source: Metropolis Community Satisfaction Survey 2020</i>	6.83	6.77	6.81	There has been increased activity in the promotion of advocacy to the residents and key stakeholders to highlight the work undertaken including that for education.
The rate of school leavers entering higher education, vocational education or employment 😊 <i>Source: On Track Survey – Local Government Area Website</i> <i>NB: Data is only provided for those school leavers that actually completed the government surveys</i>	92.7%	88.0%	93%	55% of responding school leavers were enrolled in university 13% of responding school leavers were enrolled in TAFE 10% of respondents had obtained apprenticeships 15% of respondents had found FT or PT employment 7% of respondents are unemployed



**OBJECTIVE 4.5**

**Lifelong learning opportunities are available and promoted 😊**

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
People participating in neighbourhood house programs 😊	3,759	3,053	2,310	2310 people enrolled in Community Activation & Learning programs and activities in the 2019/20 financial year. This was lower than expected due to COVID-19. However, there were over 6000 views on our online learning videos.
Community satisfaction with local library services 😊 <i>Source: Metropolis Community Satisfaction Survey 2020</i>	8.40	8.45	8.7	The 2019/20 result is similar to that of the previous year. It indicates the community generally agrees Library services in Melton to be "excellent".



The following statement reviews the progress of Council in relation to Initiatives identified in the 2019/20 Budget for the year.

Initiatives	Progress	Comments
27) Activate the township near the Melton Amphitheatre and nearby streets (\$10,000)	Completed	Activation of the 'Amphitheatre' space in the Melton Town Centre has continued to be a priority with a mixture of Council and community led events. Up to the COVID-19 disruption in March there had been 30 events delivered or facilitated in the town centre with some new initiatives such as the 'Suitcase Bric-a-Brac' sale proving to be popular. The target number for events/activations in the Melton Town Centre was achieved prior to COVID-19 restrictions setting in. A further 10 events were scheduled but have had to be cancelled due to COVID-19.

### Significant Achievements for the Year

- The 2019 Business Excellence Awards were held on 30 August. Record numbers of applications were received and the gala dinner was attended by over 400 guests (more information can be found under the "Our Community" section of the Annual Report).
- Djerriwarrh Festival and Carols by Candlelight 2019 were both successfully delivered.
- The strategy, *Creative Melton 2030: A Vision for Libraries and Arts and 2-year Action Plan* were endorsed at the Ordinary Meeting of Council on 9 December 2019.

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

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

● Service ● Description

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

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Libraries</b>				
<b>Utilisation</b> LB1 Physical Library collection usage <small>[Number of physical library collection item loans / Number of physical library collection items]</small>	5.25	5.92	5.12	Closure of libraries due to the COVID-19 pandemic resulted in a decrease in loans from April to June 2020. Note that the reduction in total collection items is due to this measure being changed to physical items only.  From 2019/20, this indicator measures the performance of physical library items as a subset of the wider library collection.
<b>Resource standard</b> LB2 Recently purchased library collection <small>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</small>	74.77%	983.61%	82.75%	The proportion of library collection items purchased in the last five years has remained consistently high over the past two years to ensure the total collection responds to borrower needs.
<b>Participation</b> LB4 Active library members in municipality <small>[(No. of active library borrowers 2 years ago + No. of active library borrowers one year ago + No. of active library borrowers this year) / (Municipal population + municipal population 1 year ago + municipal population this year)] x 100</small>	9.43%	9.09%	8.66%	Active membership has been affected by social distancing and the closure of libraries due to COVID-19 pandemic during the April to June period.
<b>Service cost</b> LB5 Cost of library service per population <small>[Direct cost of the library service / Municipal population]</small>	\$26.56	\$26.10	\$25.89	This indicator is now based on population. Results for the current year are comparable to previous years.  This indicator is replacing the previous 'Cost of library service' indicator which was based on number of visits. Results for the previous years have been adjusted accordingly.

# Theme 5: A High Performing Organisation Demonstrating Leadership and Advocacy

## Strategic outcome

An organisation operating with innovation, transparency, accountability and sustainability

### OBJECTIVE 5.1

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

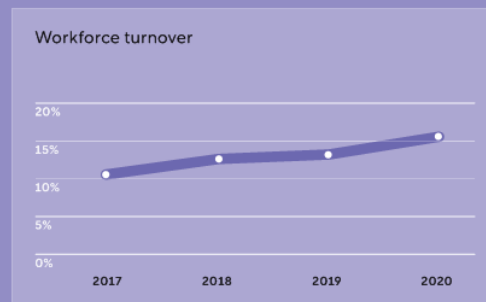
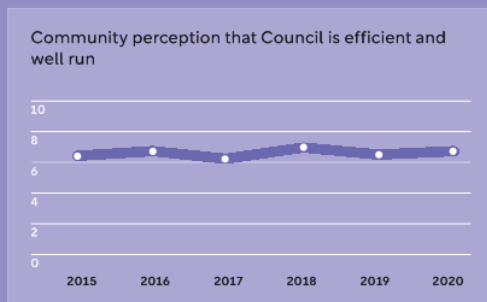
STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community perception of Council's performance on planning for a growing population <small>Source: Metropolis Community Satisfaction Survey 2020</small>	6.74	6.79	6.69	The 2019-20 result has marginally declined compared to previous years. It indicates the community generally agrees that consultation and engagement by Council to be "good".



**OBJECTIVE 5.2**

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

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community perception that Council is efficient and run well <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.12	6.87	6.93	The 2019/20 result has marginally improved compared to the previous year. It indicates the community satisfaction that Council is efficient and well run to be "good".
Workforce turnover <i>Workforce headcount – the number of people on payroll as at the end of June, excluding casuals.</i>	12.42%	13.10%	15.4%	There has been an increase in staff leaving the organisation, primarily as a result of redundancies in the Assessment area of Community Care and during COVID-19.

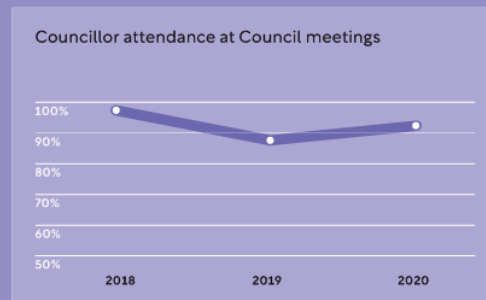
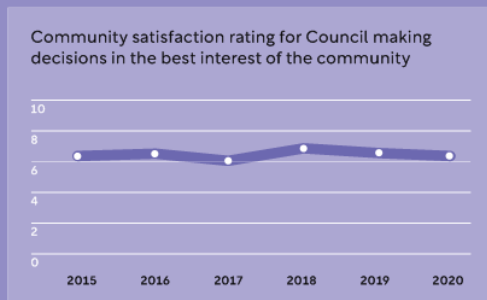


**OBJECTIVE 5.3**

Effective civic leadership, advocacy, partnerships and good governance

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community satisfaction rating for Council making decisions in the best interest of the community* <i>Source: Metropolis Community Satisfaction Survey 2020</i>	7.07	6.82	6.72	The 2019/20 result is similar to that of the previous year. It indicates the community is generally satisfied with the decisions that Council makes.
Councillor attendance at Council meetings*	97.6%	88.0%	93.0%	Councillor attendance at Ordinary and Special Meetings in 2019/20 was up on the previous financial year and has been consistently high for this term of Council.

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

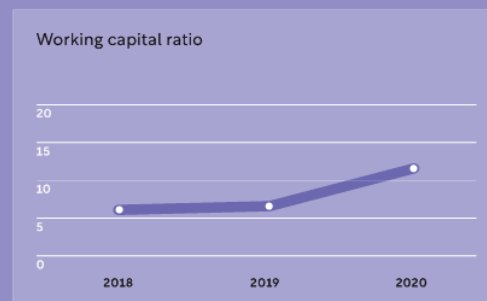
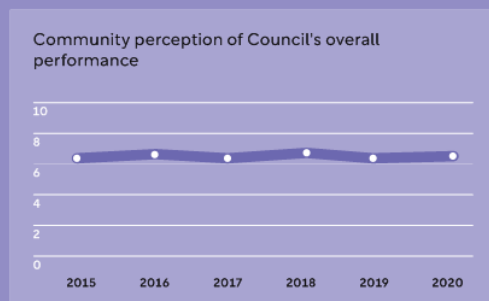




**OBJECTIVE 5.4**

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

STRATEGIC INDICATOR	RESULT 30 JUNE 2018	RESULT 30 JUNE 2019	RESULT 30 JUNE 2020	COMMENTS
Community perception of Council's overall performance <small>Source: Metropolis Community Satisfaction Survey 2020</small>	7.12	6.87	6.72	Satisfaction with the performance of Council across all areas of responsibility (overall performance) increased by less than one percent this year to 6.93. This remains a "good" level of satisfaction, the same level as recorded in each of the six years of the survey program.
Working capital ratio	6.26:1	6.67:1	12.0:1	



**Significant Achievements for the Year**

- Council's advocacy priorities and update Council's Advocacy Priorities booklet and supporting fact sheets were completed and launched in December 2019.

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Melton City Council

Annual Report 2019/2020

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

	Net Cost Actual Budget Variance \$'000
<b>Community Safety</b>	
Administer general local laws enforcement, planning enforcement, building services, environmental health (Food Safety & Immunisation programs), and animal management, parking enforcement and school crossings.	\$2,091 \$2,891 -\$800
<b>Engagement &amp; Advocacy</b>	
Provision of inbound call handling and counter services, communication campaigns and media management, hosting of events, artistic and cultural activities, facilitation of economic development & tourism outcomes and advocacy promoting Council priorities.	\$5,081 \$5,915 \$834
<b>Finance</b>	
Provision of financial services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges and property valuation.	-\$12,381 -\$10,606 \$1,775
<b>Information Services</b>	
Information Services provides leadership, support and improvement capability in the area of information and technology so that the organisation can deliver effective services	\$10,172 \$6,744 -\$3,428
<b>People &amp; Culture</b>	
Provision of human resources, learning and development, payroll and industrial relations.	\$1,663 \$1,768 \$105
<b>Executive and Councillors</b>	
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.	\$2,549 \$2,537 -\$12
<b>Legal &amp; Governance</b>	
Provision of a range of internal services to Council including governance, legal, procurement, insurance, contractual and internal audit services. Also administrative support to the Mayor and Councillors.	\$2,608 \$2,196 \$412
<b>Risk &amp; Performance</b>	
Provides risk management services through occupational health and safety programs, workers' compensation services, health and wellbeing initiatives, fraud and corruption control, municipal fire prevention, business continuity management, and community emergency management (planning, preparedness and recovery). Provides performance management through corporate planning and performance reporting functions.	\$1,295 \$1,302 \$7

● Service ● Description

## Our Performance

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

Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Libraries</b>				
<b>Timeliness</b> AM1 Time taken to action animal management requests <small>[Number of days between receipt and first response action for all animal management requests / Number of animals management requests] x100</small>	2.38 days	1.92 days	1.19 days	Staff have re-visited our Service Level Agreements (SLA) to action all tasks within 24 hours unless extenuating circumstances exist. This in addition to our unit re-structure having a specific Animal Management Unit that solely actions animal complaints has significantly contributed toward faster response times.
<b>Service standard</b> AM2 Animals reclaimed <small>[Number of animals reclaimed / Number of animals collected] x100</small>	44.74%	41.70%	32.12%	The number of animals collected has reduced from the previous year as a result of community education programs, however the number of cats reclaimed has reduced by approximately 80% contributing to the lower result for this year.
<b>Service standard</b> AM5 Animals rehomed <small>[Number of animals rehomed / Number of animals collected] x100</small>	Not applicable	Not applicable	3.43%	This is a new indicator for the 2019/20 financial year that demonstrates Council's commitment to rehoming animals. As a result, there are no comparable results for previous years.
<b>Service cost</b> AM6 Cost of animal management service per population <small>[Direct cost of the animal management service / Municipal population]</small>	\$6.29	\$6.45	\$7.65	The major contributing factor to the increase in the unit cost compared to previous years was the unit undergoing a restructure to accommodate a growing population and continue to meet service needs.
<b>Health and safety</b> AM7 Animal management prosecutions <small>[Number of successful animal management prosecutions / Number of animal management prosecutions]</small>	Not applicable	Not applicable	85.71%	This indicator is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion. As a result, there are no comparable results for previous years.  There were 35 matters listed for prosecution however due to the pandemic, only 14 matters were heard with 12 proven, and two withdrawn.
<b>Food Safety</b>				
<b>Timeliness</b> FS1 Time taken to action food complaints <small>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</small>	2.46 days	1.25 days	0.97 days	Further Improvements made to internal processes has resulted in faster response times for complaints.

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Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<b>Service standard</b> FS2 Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	83.99%	93.14%	90.77%	An increase in the number of premises in 2019/20 has resulted in a slightly lower percentage of premises inspected
<b>Service standard</b> FS2 Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	83.99%	93.14%	90.77%	An increase in the number of premises in 2019/20 has resulted in a slightly lower percentage of premises inspected
<b>Service cost</b> FS3 Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$567.97	\$506.90	\$509.26	With the continued population growth across the municipality, the number of registered premises has also grown. This has contributed to a marginal increase in the cost of the service.
<b>Health and safety</b> FS4 Critical and major non-compliance outcome notifications [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] x100	0	0	0	No notifications received this year.  On the advice of Local Government Victoria this indicator has been shown as "Not Applicable" in the LGPRF reporting template, given it is a zero result.

### Governance

<b>Transparency</b> G1 Council decisions made at meetings 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, 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] x100	8.89%	9.39%	8.45%	In keeping with Council's commitment to greater transparency, there was a slightly lower proportion of decisions made in closed sessions this year.
<b>Consultation and engagement</b> G2 Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement Source: Metropolis Community Satisfaction Survey 2020	59	68	67	The 2019/20 result is similar to that of the previous year. It indicates the community is generally satisfied with how Council consults and engages with the community.  Comparative data prior to 2019 was sourced from the Local Government Customer Satisfaction Survey, no longer being utilised by Melton.
<b>Attendance</b> G3 Councillor attendance at council meetings [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)] x100	97.62%	87.30%	93.06%	Councillor attendance at Ordinary and Special Meetings in 2019/20 was up on the previous financial year and has been consistently high for this term of Council. Virtual meetings have been conducted since the onset of COVID-19.

Our Performance

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Service / indicator / measure	RESULT 2018	RESULT 2019	RESULT 2020	MATERIAL VARIATIONS
<p><b>Service cost</b></p> <p>G4 Cost of governance</p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$56,696.76	\$59,810.62	\$62,066.93	The primary reason for an increase in the cost of elected representation in 2019/20 was costs involved in reviewing the CEO's performance at the end of his contract and the development of a new CEO employment contract as his appointment was renewed.
<p><b>Satisfaction</b></p> <p>G5 Satisfaction with Council decisions</p> <p>Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community</p> <p>Source: Metropolis Community Satisfaction Survey 2020</p>	60	68	67	<p>The 2019/20 result is similar to that of the previous year. It indicates the community is generally satisfied with the decisions that Council makes.</p> <p>Comparative data prior to 2019 was sourced from the Local Government Customer Satisfaction Survey, no longer being utilised by Melton</p>



# Governance and Management Information

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## Governance

### Management Statement

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

### Audit Committee

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

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

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

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

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

### Members of the Audit Committee

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

The Audit Committee met five times during the year (April 2020 meeting cancelled due to the COVID-19 pandemic), and reviewed the previous year's (2018/2019) Statement of Accounts, which included the provision of comments on the external auditors' management letter.

### Members of the Audit Committee and meetings attended during 2019/2020

**Robert Tommasini**  
Chairperson Independent external  
**5 meetings**

**Farshan Mansoor**  
Independent external  
**3 meetings**

**Celeste Gregory**  
Independent external  
**4 meetings**

**Cr Hardy**  
Councillor  
**4 meetings**

**Cr Turner**  
Councillor (until November 2019)  
**2 meetings**

**Cr Carli**  
Councillor (from November 2019)  
**2 meetings**

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

### Internal Audit

The internal audit function for 2019/2020 was provided under contract by auditors NTT Australia Digital Pty Ltd, previously known as Oakton Services.

During 2019/2020, the following audits were undertaken by Council's internal auditors:

- Review of Infringements Management
- Review of Grants Management
- Review of Financial Controls (Payroll)
- Review of Recreation & Facilities (Sports Ground Allocation)
- Review of Accounts Payable
- Review of Road Management Plan

### External Audit

The Victorian Auditor-General externally audits Council each year. The Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors attended the August 2019 and February 2020 audit committee meetings to present the independent audit report and annual audit plan. The external audit management letter and responses are also provided to the audit committee.

## Governance and Management Checklist

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

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT	
1 <b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	Date of operation of policy: 24 June 2019.	✓
2 <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 24 June 2019.	✓
3 <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act. Date of adoption: 24 June 2019	✓
4 <b>Annual budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act. Date of adoption: 24 June 2019	✓
5 <b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Road Asset Management Plan Buildings Asset Management Plan, Open Spaces Asset Management Plan, Drainage Asset Management Plan. Date of operation of all current plans: 3 February 2015.	✓
6 <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 24 June 2019. The Rating Strategy is reviewed annually as part of Budget process	✓
7 <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 8 March 2018	✓
8 <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 6 February 2017	✓
9 <b>Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Act. Date of preparation: 12 September 2017	✓
10 <b>Procurement policy</b> (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Act. Date of approval: 14 October 2019.	✓
11 <b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of current plan: 15 August 2019	✓



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GOVERNANCE AND MANAGEMENT ITEMS		ASSESSMENT	
12	<b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Information Technology Disaster Recovery Plan. Date of preparation: 22 September 2019.	✓
13	<b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)	Date of operation of current framework: 8 March 2018	✓
14	<b>Audit Committee</b> (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act. Date of establishment: 2 February 1998. Revised Audit Committee Terms of Reference were adopted by Council 22 July 2019	✓
15	<b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	New auditors are appointed every 3 years. Date of engagement of current provider: 10 July 2015. At its Ordinary Meeting held 26 March 2018, Council resolved to extend this contract to June 2020	✓
16	<b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Council has incorporated the Local Government Performance Reporting Framework Performance Indicators Service indicators into the Council Budget which was adopted by Council 26 June 2017.	✓
17	<b>Council Plan reporting</b> (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates for Council Annual Action Plan Progress Reporting to Council: 16 September 2019, 11 November 2019, 2 April 2020, 25 May 2020. Reporting on the Council Plan Strategic Indicators occurs twice a year via the Annual Report, adopted by Council, 14 October 2019 and the Midyear Performance Report to Executive, 20 February 2020	✓
18	<b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act. Date statements were adopted by Council: 16 September 2019, 9 December 2019, 2 March 2020 and 25 May 2020	✓
19	<b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented twice per annum on 28 August 2019 and 25 February 2020	✓
20	<b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reporting on the indicators occurs twice a year via the Annual Report, adopted by Council 14 October 2019 and the Midterm Performance Report to Executive, 20 February 2020	✓
21	<b>Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the Act. Report submitted to the Minister 26 September 2019. Adopted by Council, 14 October 2019.	✓
22	<b>Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act. Date reviewed: 20 February 2017	✓



Governance and Management Information

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GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
23 <b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act. Date of review: 1 April 2019
24 <b>Meeting procedures</b> (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 9(1) of the Act. Date local law made: 23 July 2013.

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



**Kelvin Tori**  
 Chief Executive Officer  
 Dated: 30 July 2020



**Cr Lara Carli**  
 Mayor  
 Dated: 30 July 2020

## Statutory Information

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

### Documents available for public inspection

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

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

Some of these documents may also be available on Council's website, [melton.vic.gov.au](http://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 2019/2020:

- Three service units undertook a service review or were restructured during the year
- Four My City My Say community engagement events across the municipality were delivered
- A number of programs improving the delivery of services to the community were reviewed and modified
- Reviewed and developed new organisational values to align with the Corporate Mission and Vision
- Developed a framework to implement environmental sustainability across Council assets to improve resilience and whole of lifecycle costs
- Implemented a customer request and relationship management program to improve accessibility and efficiency of Council services. Productivity benefits of over \$3 million have been delivered to date

- A revised Gambling Harm Prevention and Reduction Policy was adopted by Council in November 2019
- Developed the Cobblebank Metropolitan Activity Centre Urban Design Framework (previously named Toolern Town Centre Urban Design Framework)
- Developed the Toolern Employment Area Urban Design Framework
- Construction of the City Vista sports precinct was completed
- Implemented a Council-wide business permit concierge process through the Better Approvals project
- Delivered an integrated digital engagement and communication plan that facilitates business to business engagement, proactively promotes Council programs and supports Venture Melton growth and value
- *Creative Melton 2030: A Vision for Libraries and Arts and 2-year Action Plan* were endorsed by Council

### Carer's recognition

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

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 services and at community 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.
- Endorsed the establishment of a Carers Hub for a 12 months trial period. The Hub which will offer a range of opportunities and resources that will benefit carers that reside within the municipality.

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

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

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

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

### Contracts

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

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

- (EC8310-2018) – Gas & Electricity Supply Contracts and Associated Services through Municipal Association of Victoria (MAV)

- 1911/0631 – Debt Collection & Legal Services through Procurement Australia Contract.

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

### Disability Action Plan

In accordance with section 38 of the Disability Act 2006 (The Act), Council has incorporated its Disability Action Plan within the *Melton: A City for All People Strategy 2017-2021*. In accordance with the Act, Council must report on the implementation of the Disability Action Plan in the annual report.

The following highlights from the *Melton: A City for All People Strategy 2017-21* were delivered in 2019/2020:

- Council's Carer Support Program (Melton Go! and Family Carers Group) was delivered to enhance carer's physical and emotional wellbeing. Although these programs ceased during the COVID-19 pandemic, a Carers Connected Facebook page was created for carers to maintain connected with each other, staying involved in activities and keeping up to date with information.
- The annual CARE Melton Expo was held in October 2019.
- Supported the implementation of the Pierre Gorman Award project which seeks to deliver a program of shared reading for adults with learning disabilities.
- Supported the community to transition to the National Disability Insurance Scheme (NDIS).
- Supported the Business Excellence Awards as a platform to educate local businesses about the benefits of engaging people of all abilities.
- Hosted four workplace participants in various Council departments in support of AccessAbility Day - a government program in which jobseekers with disability and employers connect for a day.

- Developed 'Access Keys' which are customised accessibility guides that provide people with disabilities with a vertical experience prior to visiting a venue or an event. The Access Keys were created for Melton and Caroline Spring libraries.
- Produced and distributed 750 Melton Inclusion Information Guides.
- Submitted a letter of advocacy to the Minister for the National Disability Insurance Scheme (NDIS) to review the funding structure and limits set for transport as they were inadequate in meeting the needs of City of Melton residents.

### Domestic Animal Management Plan

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

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

Key achievements in 2019/2020 included:

- The introduction of a new initiative, sending animal registration reminders to owners via SMS
- Obtaining animal microchip data from Central Animal Register and cross referencing with Council records to follow up unregistered animals within the municipality, identifying approximately 12,000 unregistered animals.
- Council's website is updated daily and includes information on impounded animals.
- A review of Council's arrangements for re-homing animals has resulted in a total of 48 Section 84Y agreements under the *Domestic Animals Act 1994* now being in place.

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- In 2019/20, 16 menacing and dangerous dog inspections were completed.
- All 13 domestic animal businesses operating in the City of Melton were inspected and complied with the *Domestic Animals Act 1994*.
- Council was successful with 11 prosecutions
- Animal registrations increased by 9 per cent to 22,596, an increase from 20,331 in 2018/19.

#### Food Act Ministerial directions

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

Council received no Ministerial Directions during the financial year.

#### Freedom of Information

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

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

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

Further information can be found on Council's website.

In 2019/20, Melton City Council received 31 requests for information under the *Freedom of Information Act 1982*. The results of the applications are as follows:

Result of Access	Number of Requests
Access granted in full	13
Access granted in part	3
Access denied in full	0
<b>Other:</b>	
No documents	2
Request withdrawn	0
Request closed / did not proceed / not valid (no response from applicant)	9
Request not yet finalised as at 30 June 2020	1
Released outside the Act	3
Request transferred to another agency	0
<b>Total Number of Requests</b>	<b>31</b>

#### Public Interest Disclosures Procedures

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

During 2019/20, one disclosure was 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*, a council must publish a copy or summary of any Ministerial Direction in its annual report.

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

## Victorian Local Government Indicators

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

The following table presents the results of the VLGI for the 2019/2020 year.

INDICATORS	CALCULATION	2019/ 2020	2018/ 2019
1 Average rates and charges per assessment	Total rates and charges receivable at the beginning of the year / number of assessments in the adopted budget	\$2,089	\$2,253
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	\$1,920	\$1,828
3 Average liabilities per assessment	Total liabilities / number of assessments in the adopted budget	\$1,371	\$1,091
4 Operating result per assessment	Net surplus / number of assessments in the adopted budget	\$4,537	\$3,810
5 Average operating expenditure per assessment	Operating expenditure / number of assessments in the adopted budget	\$3,149	\$2,934
6 Community satisfaction rating for overall performance generally of Council	Result from the annual Melton Council Community Satisfaction Survey*	69	69
7 Average capital expenditure per assessment	Capital expenditure / number of assessments in the adopted budget	\$858	\$1,278
8 Renewal gap	Capital renewal / average annual asset consumption	21%	28%
9 Renewal and maintenance gap	Capital renewal and maintenance / average annual asset consumption planned maintenance	39%	33%
10 Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the annual Melton Council Community Satisfaction Survey*	68	68
11 Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the annual Melton Council Community Satisfaction Survey*	67	68

\* 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.



# Development Contributions Plan Report

## Infrastructure and development contributions

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

**Table 1: Total DCP Levies Received 2019-2020**

DCP Name and Year Approved	Levies Received in 2019-2020 Financial Year (\$)*
Diggers Rest (2012)	\$591,935.64
Melton North (2010)	\$96,600.00
Rockbank North (2012)	\$30,050.00
Taylors Hill West (2010)	\$77,200.00
Toolern (2011)	\$13,607,405.38
Paynes Road	\$9,003,927.53
Toolern Park (2014)	\$502,152.47
<b>TOTAL</b>	<b>\$23,909,271.02</b>

\* Levies include DIL and CIL

**Table 2: DCP Land, Works, Services or Facilities accepted as Works in Kind 2019-2020**

DCP Name and Year Approved	Project ID	Project Description	Item Purpose	Project Value (\$)
Taylors Hill West (2010)	DI_RO_02	Beattys Road Upgrade - construction (236m)	Beattys Road - Construction of a road was required as part of works associated with PA2010/2849 for a residential subdivision at Aspire estate.	\$337,930.00
Rockbank North (2012)	C01	Purchase of 0.80 hectares of land for Community Centre.	Community Centre - Land acquisition was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$645,000.00
Rockbank North (2012)	RD03	Intersection. Land acquisition for ultimate and construction of an interim signalised T-intersection at the intersection of the north-south arterial (Leakes Road) and the east-west arterial (Taylors Road).	Taylors Road - Land acquisition and construction of an Intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$1,039,760.00
Rockbank North (2012)	RD01	Phase 1 Taylors Rd Carriageway between RD04 & RD05 East-west arterial between Leakes Road and the Outer Metropolitan Ring Road. Land acquisition for ultimate and construction of the first carriageway.	Taylors Road - Land acquisition for the purpose of road construction was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$152,640.00

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DCP Name and Year Approved	Project ID	Project Description	Item Purpose	Project Value (\$)
Rockbank North (2012)	RD01	Phase 1 Taylors Rd Carriageway between RD04 & RD05 East-west arterial between Leakes Road and the Outer Metropolitan Ring Road. Land acquisition for ultimate and construction of the first carriageway.	Taylors Road - Construction of a road was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$8,093.88
Rockbank North (2012)	RD04	Intersection. Land acquisition for ultimate and construction of an interim signalised intersection at the intersection of the north-south arterial and the east-west arterial (Taylors Road).	Taylors Road - Land acquisition for the purpose of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$1,586,290.00
Rockbank North (2012)	RD04	Intersection. Land acquisition for ultimate and construction of an interim signalised intersection at the intersection of the north-south arterial and the east-west arterial (Taylors Road).	Taylors Road - Construction of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$57,349.08
Rockbank North (2012)	RD05	Intersection. Land acquisition for ultimate and construction of an interim signalised intersection at the intersection of the north-south arterial and the east-west arterial (Taylors Road).	Taylors Road - Land acquisition for the purpose an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$2,280,658.34
Rockbank North (2012)	RD05	Intersection. Land acquisition for ultimate and construction of an interim signalised intersection at the intersection of the north-south arterial and the east-west arterial (Taylors Road).	Taylors Road - Construction of an intersection was required as part of works associated with PA2015/5010 for a residential subdivision at Woodlea estate.	\$816,070.23
Rockbank North (2012)	RD07	Intersection. Land and construction of an interim signalised intersection of Beattys Road and north south arterial.	Taylors Road - Land acquisition for the purpose an intersection was required as part of works associated with PA2017/5565 for a residential subdivision at Woodlea estate.	\$260,263.93
Toolern (2011)	RD02	East West Arterial: Rees Road to Exford Road. Construct new 2-lane carriageway of divided secondary arterial road (38 metres road reserve, length 970 metres - Interim Layout) and purchase of land to increase reserve width from 0 metres to 38 metres for 900 metres (Ultimate).	Rees Road - Land acquisition for the purpose of road construction was required as part of works associated with PA2017/5955 for a residential subdivision at Opalia estate.	\$1,623,412.18
Toolern (2011)	RD03	East West Arterial: Exford Road Section. Re-construct existing 2-lane road to provide 2-lane carriageway of divided secondary arterial road (38 metre road reserve, length 900 metres - Interim Layout) and purchase land to increase reserve width from 20 to 38 metres for 900 metres (Ultimate).	Exford Road - Land acquisition for the purpose of road construction was required as part of works associated with PA2017/5955 for a residential subdivision at Opalia estate.	\$784,963.56
Paynes Road	RD05	Paynes Road: Western Freeway Flyover (BR03) to Murray Road (IT11) Construction of a 2-lane arterial road (Interim Standard) within the Paynes Road reserve.	Paynes Road - Construction of a road was required as part of works associated with PA2015/5038 for a residential subdivision at Thornhill Park estate.	\$998,374.00

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DCP Name and Year Approved	Project ID	Project Description	Item Purpose	Project Value (\$)
Paynes Road	IT11	Purchase of land within precinct to facilitate IT11B (Ultimate Standard) Construction of a signalised 4-way intersection (Interim Standard) at the intersection of Paynes Road and Murray Road.	Paynes Road - Land acquisition and construction of an Intersection was required as part of works associated with PA2015/5038 for a residential subdivision at Thornhill Park estate.	\$1,142,495.71
Paynes Road	BR03	Paynes Road Freeway Flyover (Land purchase only 0.1804ha)	Paynes Road - Land acquisition for the purpose of road construction was required as part of works associated with PA2015/5038 for a residential subdivision at Thornhill Park estate.	\$296,303.76
Rockbank (August 2016)	IT05A	Intersection: Rockbank Road and Toolern Road Purchase of land within precinct to facilitate IT05B (Ultimate Standard).	Rockbank Road - Land acquisition for the purpose an intersection was required as part of works associated with PA2017/5633 for a residential subdivision at Accolade estate.	\$1,315,842.82
Rockbank (August 2016)	IT08A	Intersection: Rockbank Road and 'RB East West Road 2' Purchase of land within precinct to facilitate IT08B (Ultimate Standard).	Rockbank Road - Land acquisition for the purpose an intersection was required as part of works associated with PA2017/5633 for a residential subdivision at Accolade estate.	\$3,320,159.40
Rockbank (August 2016)	IT09A	Intersection: Rockbank Road and 'RB East West Road 1' Purchase of land within precinct to facilitate IT09B (Ultimate Standard).	Rockbank Road - Land acquisition for the purpose an intersection was required as part of works associated with PA2017/5633 for a residential subdivision at Accolade estate.	\$151,497.78
Rockbank (August 2016)	AR01A	Rockbank East Sports Reserve (Rockbank East Community Hub) Purchase of land within precinct to facilitate AR01B.	Active Open Space - Land acquisition was required as part of works associated with PA2016/5313 for a residential subdivision at Hillgrove estate.	\$1,206,786.00
Rockbank (August 2016)	CI01A	Rockbank East Community Centre (Rockbank East Community Hub) Purchase of land within precinct to facilitate CI01B (0.8ha).	Community Centre - Land acquisition was required as part of works associated with PA2017/5494 for a residential subdivision at Serenity estate.	\$1,240,000.00
<b>TOTAL</b>				<b>\$19,263,890.68</b>

\*\* Paynes Road was part of Toolern DCP

Table 3: Total DCP Contributions received and expended to date (for DCPs approved after 1 June 2016)

DCP Name and Year Approved	Total Levies Received (\$)	Total Levies Expended (\$)	Total Works-In-Kind Accepted (\$)	Total DCP Contributions Received (Levies and Works-In-Kind) (\$)
Rockbank (August 2016)	\$18,805,03.29	-	\$7,234,286.00	\$26,039,289.29
<b>TOTAL</b>	<b>\$18,805,03.29</b>	<b>-</b>	<b>\$7,234,286.00</b>	<b>\$26,039,289.29</b>

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Table 4: Land, Works, Services or Facilities delivered in 2019-2020 from DCP Levies Collected

Project Description	Project ID	DCP Name and Year Approved	DCP Fund Expended (\$)	Works-In-Kind Accepted (\$)	Council's Contribution (\$)	Other Contribution (\$)	Total Project Expenditure (\$)	Percentage of Item Delivered
Central Pavilion (Diggers Rest Community Hub) Construction of new pavilion to serve two ovals at Diggers Rest Recreation Reserve and Diggers Rest Tennis Club (including all building works)	AR03	Diggers Rest (2012)	\$6,811.48	\$-	\$-	\$-	\$6,811.48	10.81%
Diggers Rest Recreation Reserve (Diggers Rest Community Hub) Upgrade of active open space reserve, including works associated with playing surfaces, car parking, landscaping and related infrastructure.	AR04	Diggers Rest (2012)	\$9,406.32	\$-	\$-	\$-	\$9,406.32	10.81%
Pedestrian signals - City Vista Drive	DI_RO_08	Taylors Hill West (2010)	\$100,587.37	\$-	\$-	\$-	\$100,587.37	14.70%
2 senior football/cricket ovals - construction	DI_OS_1	Taylors Hill West (2010)	\$533,522.61	\$-	\$265,649.34	\$-	\$799,171.95	100.00%
Pavilion - construction	CI_OS_1	Taylors Hill West (2010)	\$-	\$-	\$559,420.37	\$-	\$559,420.37	100.00%
Tennis courts - construction	CI_OS_2	Taylors Hill West (2010)	\$-	\$-	\$175,817.83	\$-	\$175,817.83	100.00%
Multi-purpose Community Centre - construction (Maternal child health and kindergarten components)	DI_CF_1	Taylors Hill West (2010)	\$2,801,849.42	\$-	\$1,595,675.60	\$-	\$4,397,525.02	100.00%
Multi-purpose Community Centre - construction (community component)	CL_CF_1	Taylors Hill West (2010)	\$78,893.65	\$-	\$1,063,783.74	\$-	\$1,142,677.39	100.00%
Construction of Community Centre 1. Construction of multi-purpose community centre including maternal and child health care services, pre-school and associated facilities including car parking and landscape works	C02	Rockbank North (2012)	\$202,205.12	\$-	\$-	\$355,500.00	\$557,705.12	100.00%
Preparation of Precinct Structure Plan and Development Contributions Plan	PL01	Toolern (2011)	\$554,214.73	\$-	\$-	\$-	\$554,214.73	53.86%
<b>TOTAL</b>			<b>\$4,287,490.70</b>	<b>\$-</b>	<b>\$3,660,346.88</b>	<b>\$355,500.00</b>	<b>\$8,303,337.58</b>	

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## Infrastructure Contributions Plan Report

Table 1: Total ICP Contributions Received 2019-2020

Name of Collecting Agency	Name of ICP	Monetary component in levies received in 2019-2020 Financial Year (\$)	Value of works in kind received in satisfaction of monetary component in 2019-2020 Financial Year (\$)	Total monetary contribution received in 2019-2020 Financial Year (\$)
Melton City Council	Plumpton & Kororoit (2018)	\$21,109,451.09	\$1,453,168.24	\$22,562,619.33
Melton City Council	Mt Atkinson (2016)	\$7,267,356.78	\$14,566,697.00	\$21,834,053.78
<b>TOTAL</b>		<b>\$28,376,807.87</b>	<b>\$16,019,865.24</b>	<b>\$44,396,673.11</b>

Table 2: Inner Public Purpose Land received in 2019-2020

Name of Collecting Agency	Name of ICP	Land (or Project ID)	Land (or Project) Description
Melton City Council	Plumpton & Kororoit (2018)	IN-11	Intersection: North-South Connector Road 5 and Tarleton Road Purchase of land for intersection at an ultimate standard.
Melton City Council	Plumpton & Kororoit (2018)	RD-10	Tarleton Road: North-South Road 5 (IN-11) to Hume Drive (eastern PSP boundary) Purchase of land for a 34m wide road section (ultimate standard).
Melton City Council	Plumpton & Kororoit (2018)	IN-17	Intersection: City Vista Court and Taylors Road Purchase of land for intersection at an ultimate standard.
Melton City Council	Plumpton & Kororoit (2018)	RD-15	Taylors Road: Saric Court (IN-16) to City Vista Court (IN-17) Purchase of land for a 44m wide road section (ultimate standard).
Melton City Council	Plumpton & Kororoit (2018)	LP-38	Linear Park Purchase of land.
Melton City Council	Mt Atkinson (2016)	IT-05	Signalised intersection - Greigs Road / north-south connector road- Purchase of land (ultimate treatment) for secondary arterial to connector road 4-way signalised intersection (interim treatment).
Melton City Council	Mt Atkinson (2016)	OS-14	Local Park Purchase of land.
Melton City Council	Mt Atkinson (2016)	OS-15	Local Park Purchase of land.

Table 3: Total Land Equalisation Amount (LEA) received and Land Credit Amount (LCA) paid in 2019-2020

Name of Collecting Agency	Name of ICP	Total of any LEAs received in 2019-2020 financial year (\$)	Total of any LCAs paid in 2019-2020 Financial Year (\$)
Melton City Council	Plumpton & Kororoit (2018)	\$7,049,038.78	\$-
Melton City Council	Mt Atkinson (2016)	\$-	\$-
<b>TOTAL</b>		<b>\$7,049,038.78</b>	<b>\$-</b>



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Table 4: ICP Works, Services or Facilities accepted as Works-In-Kind in 2019-2020

Name of Collecting Agency	Name of ICP	Project ID	Project Description	Item Purpose	Project Value (\$)
Melton City Council	Plumpton & Kororoit (2018)	RD-10	Tarleton Road: North-South Road 5 (IN-11) to Hume Drive (Eastern PSP Boundary) Construction of a 2-lane arterial road (interim standard).	Tarleton Road - Construction of a road was required as part of works associated with PA2017/5746 for a residential subdivision at Sienna Rise estate.	\$673,549.19
Melton City Council	Plumpton & Kororoit (2018)	IN-11	Intersection: North-South Road 5 and Tarleton Road Construction of connector road to secondary arterial signalised 4-way intersection (interim standard).	Construction of an intersection was required as part of works associated with PA2017/5746 for a residential subdivision at Sienna Rise estate.	\$779,619.05
Melton City Council	Mt Atkinson (2016)	IT-07	Signalised intersection - Greigs Road / north-south connector road- Construction of primary arterial to connector road 4-way signalised intersection (interim treatment)	Construction of an intersection was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.	\$3,562,004.00
Melton City Council	Mt Atkinson (2016)	IT-03	Signalised intersection - Hopkins Road / Greigs Road- Construction of primary arterial to secondary arterial 3-way signalised intersection (interim treatment)	Construction of an intersection was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.	\$4,972,000.00
Melton City Council	Mt Atkinson (2016)	RD-05	Greigs Road: North-south connector road (IT-08) to Hopkins Road (IT-03). Construction of an arterial road (4 lanes) comprising 2 lane carriageway, excluding intersections (interim treatment)	Greigs Road - Construction of a road was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.	\$643,125.00
Melton City Council	Mt Atkinson (2016)	IT-08	Signalised intersection - Greigs Road / north-south connector road- Construction of secondary arterial to connector road 4-way signalised intersection (interim treatment)	Construction of an intersection was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.	\$3,720,768.00
Melton City Council	Mt Atkinson (2016)	RD-04	Greigs Road: North-south connector road (IT-07) to north-south connector road (IT-08). Construction of an arterial road (4 lanes) comprising 2 lane carriageway, excluding intersections (interim treatment)	Greigs Road - Construction of a road was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.	\$940,625.00
Melton City Council	Mt Atkinson (2016)	RD-03	Greigs Road: Mt Atkinson Road (IT-06) to north-south connector Road (IT-07). Construction of an arterial road (4 lanes) comprising 2 lane carriageway, excluding intersections (interim treatment)	Greigs Road - Construction of a road was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.	\$728,175.00
<b>TOTAL</b>					<b>\$16,019,865.24</b>

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Table 5: Total ICP Monetary Contributions expended by Development Agency in 2019-2020

Name of Collecting Agency	Name of ICP	Project ID	Project Description	ICP Money Expended (\$)	Percentage of project delivered
Melton City Council	Plumpton & Kororoit (2018)	IN-15	Taylors Rd/Sinclairs Rd - Signalised Intersection  Intersection: Sinclairs Road and Taylors Road Construction of connector road to primary arterial signalised 4-way intersection (interim standard) and habitat compensation obligations.	\$44,939.36	1.16%
<b>TOTAL</b>				<b>\$44,939.36</b>	

Table 6: Use and Development of inner Public Purpose Land or Outer Public Purpose Land which has vested in, been acquired by or been transferred to, the Development Agency in 2019-2020

Name of Collecting Agency	Name of ICP	Project ID	Project Description	Use and Development of Land
Melton City Council	Plumpton & Kororoit (2018)	IN-11	Intersection: North-South Connector Road 5 and Tarleton Road Purchase of land for intersection at an ultimate standard.	Land acquisition of 0.738ha for the purpose of an intersection as part of works associated with PA2017/5746 for a residential subdivision at Sienna Rise estate.
Melton City Council	Plumpton & Kororoit (2018)	RD-10	Tarleton Road: North-South Road 5 (IN-11) to Hume Drive (eastern PSP boundary) Purchase of land for a 34m wide road section (ultimate standard).	Land acquisition of 0.79ha for the purpose of road construction as part of works associated with PA2017/5746 for a residential subdivision at Sienna Rise estate.
Melton City Council	Plumpton & Kororoit (2018)	IN-17	Intersection: City Vista Court and Taylors Road Purchase of land for intersection at an ultimate standard.	Land acquisition of 0.01ha for the purpose of an intersection as part of works associated with PA2017/5757 for a residential subdivision at Attwell estate.
Melton City Council	Plumpton & Kororoit (2018)	RD-15	Taylors Road: Saric Court (IN-16) to City Vista Court (IN-17) Purchase of land for a 44m wide road section (ultimate standard).	Land acquisition of 0.51ha for the purpose of road construction as part of works associated with PA2017/5757 for a residential subdivision at Attwell estate.
Melton City Council	Plumpton & Kororoit (2018)	LP-38	Linear Park Purchase of land.	Land acquisition of 0.80ha for the purpose of a linear park as part of works associated with PA2017/5757 for a residential subdivision at Attwell estate.
Melton City Council	Mt Atkinson (2016)	IT-05	Signalised intersection - Greigs Road / north-south connector road- Purchase of land (ultimate treatment) for secondary arterial to connector road 4-way signalised intersection (interim treatment).	Land acquisition of 0.297ha for the purpose of an intersection as part of works associated with PA2017/5931 for a residential subdivision at Grandview estate.
Melton City Council	Mt Atkinson (2016)	OS-14	Local Park Purchase of land.	Land acquisition of 1.00ha for the purpose of a local park as part of works associated with PA2017/5931 for a residential subdivision at Grandview estate.
Melton City Council	Mt Atkinson (2016)	OS-15	Local Park Purchase of land.	Land acquisition of 0.55ha for the purpose of a local park as part of works associated with PA2018/6140 for a residential subdivision at Grandview estate.

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Table 7: Use of Works, Services or Facilities accepted as Works-In-Kind in 2019-2020

Name of Collecting Agency	Name of ICP	Project ID	Project Description	Use of land
Melton City Council	Plumpton & Kororoit (2018)	RD-10	Tarleton Road: North-South Road 5 (IN-11) to Hume Drive (Eastern PSP Boundary) Construction of a 2-lane arterial road (interim standard).	Tarleton Road - Construction of a road was required as part of works associated with PA2017/5746 for a residential subdivision at Sienna Rise estate.
Melton City Council	Plumpton & Kororoit (2018)	IN-11	Intersection: North-South Road 5 and Tarleton Road Construction of connector road to secondary arterial signalised 4-way intersection (interim standard).	Construction of an intersection was required as part of works associated with PA2017/5746 for a residential subdivision at Sienna Rise estate.
Melton City Council	Mt Atkinson (2016)	IT-07	Signalised intersection - Greigs Road / north-south connector road- Construction of primary arterial to connector road 4-way signalised intersection (interim treatment)	Construction of an intersection was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.
Melton City Council	Mt Atkinson (2016)	IT-03	Signalised intersection - Hopkins Road / Greigs Road- Construction of primary arterial to secondary arterial 3-way signalised intersection (interim treatment)	Construction of an intersection was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.
Melton City Council	Mt Atkinson (2016)	RD-05	Greigs Road: North-south connector road (IT-08) to Hopkins Road (IT-03). Construction of an arterial road (4 lanes) comprising 2 lane carriageway, excluding intersections (interim treatment)	Greigs Road - Construction of a road was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.
Melton City Council	Mt Atkinson (2016)	IT-08	Signalised intersection - Greigs Road / north-south connector road- Construction of secondary arterial to connector road 4-way signalised intersection (interim treatment)	Construction of an intersection was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.
Melton City Council	Mt Atkinson (2016)	RD-04	Greigs Road: North-south connector road (IT-07) to north-south connector road (IT-08). Construction of an arterial road (4 lanes) comprising 2 lane carriageway, excluding intersections (interim treatment)	Greigs Road - Construction of a road was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.
Melton City Council	Mt Atkinson (2016)	RD-03	Greigs Road: Mt Atkinson Road (IT-06) to north-south connector Road (IT-07). Construction of an arterial road (4 lanes) comprising 2 lane carriageway, excluding intersections (interim treatment)	Greigs Road - Construction of a road was required as part of works associated with PA2017/5834 for a residential subdivision at Mt Atkinson estate.

Table 8: Expenditure of ICP Land Equalisation Amounts in 2019-2020

Name of Collecting Agency	Name of ICP	Project ID	Project Description	Project Value (\$)
				\$-
<b>TOTAL</b>				<b>\$-</b>

## Glossary of terms related to the non-financial sections

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

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



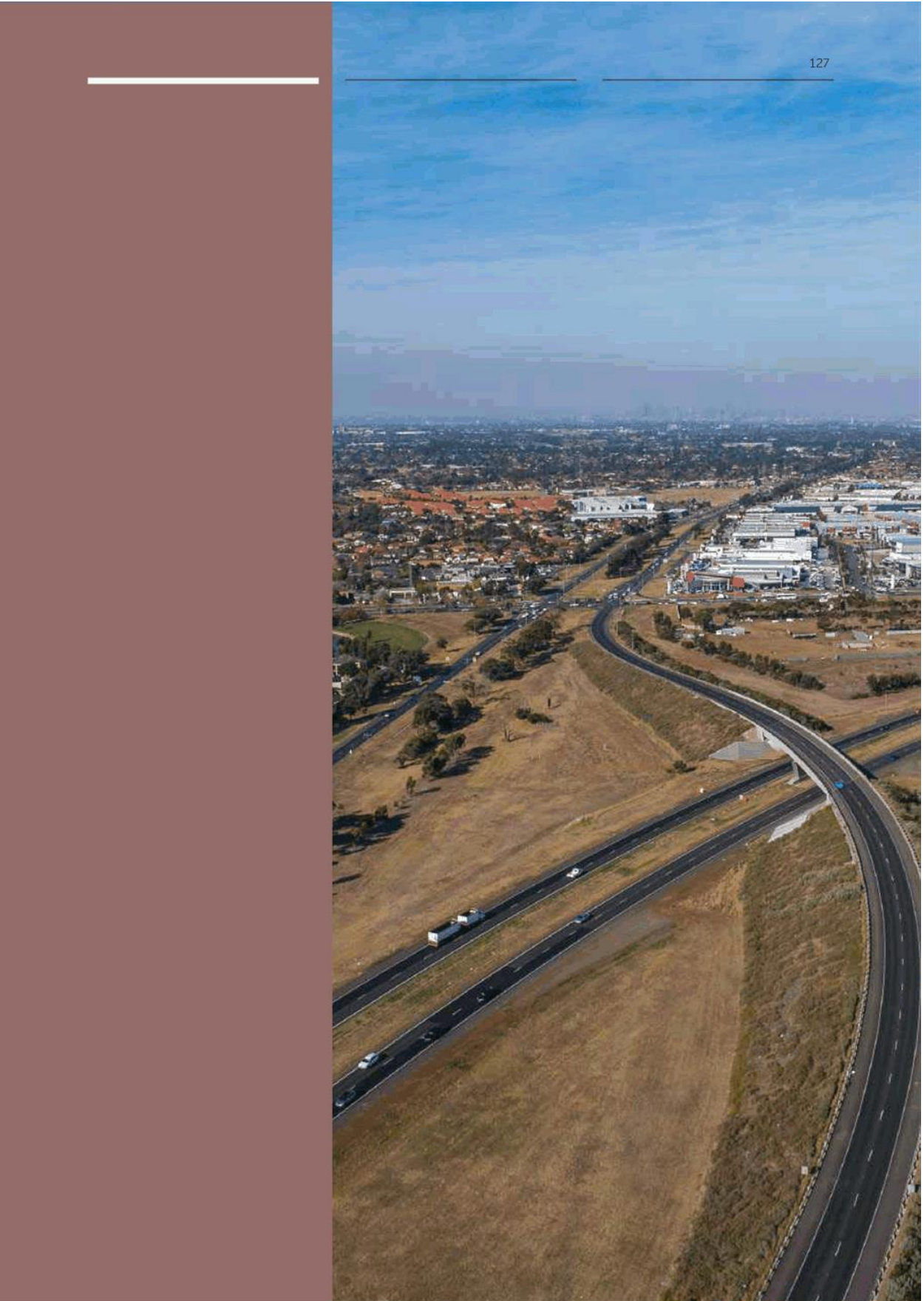
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## Performance Statement

For the year ended 30 June 2020

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

### Other Information

#### 1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are mainly those adopted by Council in its Strategic Resource Plan on 22 June 2020 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 Statements. The Strategic Resource Plan can be obtained from Council's website ([melton.vic.gov.au](http://melton.vic.gov.au)) or by contacting Council.

For the year ended 30 June 2020 the COVID-19 pandemic impacted Council's operations with the closure of a number of facilities and revised modes of operation for some services. The impacts of the pandemic are detailed within the performance statements for the period.

## Sustainable Capacity Indicators

For the year ended 30 June 2020

RESULTS					
Indicator / measure	2017	2018	2019	2020	Material variations
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population] [Total expenses/municipal population]	\$996.14	\$1,005.32	\$1,009.26	\$1,078.38	Council continue to manage expenditure prudently despite the high level of growth experienced within the municipality. Slight upward trend relates to higher depreciation charges due to significant increase in asset base.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,247.46	\$10,136.42	\$11,268.03	\$11,604.68	Infrastructure constructed within the municipality has and will continue to increase at levels comparable to population growth. Slight increase over the last 3 years relates to increased cost to build infrastructure. Fluctuations in population data can distort annual indicators. Recent trend is likely to continue.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	130.89	138.71	141.62	138.79	Results have been consistent over the past three years.
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$928.95	\$993.37	\$833.34	\$824.47	Municipality has seen a growth in household size with respect to its population growth, which has led to this downward trend.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$225.15	\$189.32	\$188.07	\$176.82	Population growth has outpaced growth in recurrent government grant funding. This is likely to continue in short term with Grants Commission funding likely to be capped or reduced.
<b>Disadvantage</b>					
<i>Relative socio-economic disadvantage</i>	7	5	5	5	Results have been consistent over the past three years.
<b>Workforce turnover</b>					
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.08%	15.99%	13.40%	15.65%	Staff turnover rate varies from year to year. Indicator appears to be slightly higher than industry average.

## Service Performance Indicators

For the year ended 30 June 2020

RESULTS					
Service / Indicator / measure	2017	2018	2019	2020	Material variations
<b>Aquatic facilities</b>					
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.8	1.69	1.57	0.96	Attendance figures were low during the last quarter due to COVID-19 with the Centre closed from 23 March 2020 and partially opened for a short period during June 2020.
<b>Animal management</b>					
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions/Number of animal management prosecutions] x100	n/a	n/a	n/a	86%	This measure is new in 2019/20. There were 35 matters listed for prosecution however due to the pandemic, only 14 matters were heard with 12 proven, 2 withdrawn.
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	8	14	20	n/a	This measure has been discontinued in 2019/20.
<b>Food safety</b>					
<b>Health and safety</b>					
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100.00%	0.00%	0.00%	0.00%	No notifications received this year as has been the case for the past three years.
<b>Governance</b>					
<b>Satisfaction</b>					
<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]	55	60	68	67	The 2019-20 result is similar to that of the previous year. It indicates the community is generally satisfied with the decisions that Council makes.
<b>Libraries</b>					
<b>Participation</b>					
<i>Active library borrowers in municipality</i> [Number of active library borrowers / Municipal population] x100	10.26%	9.43%	9.09%	8.66%	Active membership has been affected by social distancing and the closure of libraries due to COVID-19 pandemic during the April to June period.



## Service Performance Indicators

For the year ended 30 June 2020

RESULTS					
Service / Indicator / measure	2017	2018	2019	2020	Material variations
<b>Maternal and child health</b>					
<b>Participation</b>					
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	72.05%	68.95%	66.92%	64.86%	Although the number of face-to-face consultations is down, MCH continues to provide support and guidance to the community. The addition of new nursing staff enabled Council to use telehealth throughout the COVID 19 period.
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	58.81%	57.31%	57.28%	70.63%	Work through the Compact partnership program with State Government, as well as the reintroduction of the Outreach service and working alongside the successful Babaneek Booboop program has improved the MCH services contact and support of the Aboriginal Community.
<b>Roads</b>					
<b>Satisfaction</b>					
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	62	63	71	67	The 2019-20 result is similar to that of the previous year. It indicates the community is generally satisfied with the condition of sealed local roads.
<b>Statutory Planning</b>					
<b>Decision making</b>					
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	28.57%	25.00%	40.00%	100.00%	There has been less Council applications determined at VCAT due in part to Covid-19 which has resulted in the adjournment/ postponement of some hearings to the end of 2020. However, there has been a significant increase in number of VCAT decisions which did not set aside Council's decision in relation to a planning application.
<b>Waste Collection</b>					
<b>Waste diversion</b>					
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	53.03%	49.30%	40.26%	43.41%	Whilst there has been an increase in total waste collected (expected with population growth), Council's data indicates that diversion by residents has increased by nearly 4,000 tonnes. Our residents currently divert 43.41% of their kerbside waste from landfill, this reflects an increase of 3.15% compared to the same time last year.

## Financial Performance Indicators

For the year ended 30 June 2020

Dimension / Indicator / measure	RESULTS						FORECAST				Material variations	
	2017	2018	2019	2020	2021	2022	2023	2024				
<b>Efficiency</b>												
<b>Revenue level</b>												
Average rate per property assessment [General rates and Municipal charges/ Number of property assessments]	n/a	n/a	n/a	\$1,583.94	\$1,711.14	\$1,798.93	\$1,745.00	\$1,743.41				This measure is new in 2019/20. Fluctuations with regards to this indicator are due to timing of assessment growth.
<b>Revenue level</b>												
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,704.23	\$1,690.12	\$1,746.06	n/a	n/a	n/a	n/a	n/a				This measure has been discontinued in 2019/20.
<b>Expenditure level</b>												
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,733.24	\$2,764.22	\$2,805.53	\$2,871.35	\$2,908.71	\$2,848.77	\$2,702.94	\$2,567.71				Council has maintained a stable cost base over recent years and this is anticipated to continue over the medium term.
<b>Liquidity</b>												
<b>Working capital</b>												
Current assets compared to current liabilities [Current assets / Current liabilities] x100	584.96%	633.96%	570.97%	524.76%	670.77%	823.38%	931.47%	1155.81%				Variance in 2019-20 year relates to timing of payments and receipts as at 30 June 2020. Positive trend is due to inflows of significant developer monetary contributions.
<b>Unrestricted cash</b>												
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	91.56%	125.47%	49.76%	-61.11%	100.93%	150.55%	220.29%	284.83%				Variance in 2019-20 year relates to classification of term deposits greater than 90 days as Other financial assets. Forecasts assume term deposits are classified as cash. Positive trend is due to projected operating surpluses in future years.

## Financial Performance Indicators

For the year ended 30 June 2020

Dimension / Indicator / measure	RESULTS					FORECAST			Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
<b>Obligations</b>									
<b>Asset renewal and upgrade</b>									
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expenses / Asset depreciation] x100	n/a	n/a	n/a	86.46%	74.47%	48.56%	42.30%	29.90%	This measure is new in 2019/20. Asset renewal expenditure is based on engineering data not depreciation calculations. Council will have significant growth in assets in the medium to long term and therefore higher depreciation charge. Council assets are largely new and therefore don't require significant renewal expenditure in the short to medium term.
<b>Asset renewal</b>									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	42.35%	39.22%	28.41%	n/a	n/a	n/a	n/a	n/a	This measure has been discontinued in 2019/20.
<b>Loans and borrowings</b>									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	22.32%	17.68%	14.05%	10.44%	13.68%	16.44%	11.67%	8.05%	Council has over recent years repaid borrowings as they mature. Council has had sufficient cash inflows to achieve this. Over the forecasted period there will be a need to borrow to fund significant infrastructure investment in years 2020-21 and 2021-22. Over the forecasted period there will be a need to borrow to fund significant infrastructure investment.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	8.27%	4.07%	3.23%	2.89%	2.13%	2.67%	3.06%	2.76%	Council has experienced significant growth which has led to downward trend.
<b>Indebtedness</b>									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	18.53%	14.16%	14.46%	15.40%	19.17%	14.03%	14.65%	25.93%	Council's Non Current Liabilities continue to remain stable and at a manageable levels. Increase projected in 2024 relates to liabilities for developer works in kind.

## Financial Performance Indicators

For the year ended 30 June 2020

Dimension / Indicator / measure	RESULTS						FORECAST			
	2017	2018	2019	2020	2021	2022	2023	2024	Material variations	
<b>Operating position</b>										
<b>Adjusted underlying result</b>										
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	13.69%	15.44%	1.19%	-7.26%	0.47%	10.50%	15.17%	16.89%	This variance is due to disposal of building and infrastructure assets in recent years. Disposal relates to replacement of infrastructure assets. In 2019-20 Atherstone income reduced significantly, it is projected that an underlying surplus will be generated over the medium term.	
<b>Stability</b>										
<b>Rates concentration</b>										
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	60.68%	57.22%	67.35%	71.44%	69.68%	67.28%	69.58%	71.69%	Council has and will continue to have a high level of growth in rate revenue.	
<b>Rates effort</b>										
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.43%	0.42%	0.34%	0.33%	0.36%	0.38%	0.41%	0.44%	This ratio has stabilised over recent years. Projected property values are expected to experience a downward trend in the short term.	

## 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*.



Sam Rumoro CPA  
**Principal Accounting Officer**  
Dated: 14 September 2020

In our opinion, the accompanying performance statement of the Melton City Council for the year ended 30 June 2020 presents fairly the results of the council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Cr Lara Carli  
**Mayor**  
Dated: 14 September 2020



Cr Steve Abboushi  
**Deputy Mayor**  
Dated: 14 September 2020



Kelvin Tori  
**Chief Executive Officer**  
Dated: 14 September 2020



## Independent Auditor's report



### Independent Auditor's Report

*To the Councillors of Melton City Council*

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Melton City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2020</li> <li>• sustainable capacity indicators for the year ended 30 June 2020</li> <li>• service performance indicators for the year ended 30 June 2020</li> <li>• financial performance indicators for the year ended 30 June 2020</li> <li>• other information and</li> <li>• the certification of performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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## Independent Auditor's report

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE  
21 September 2020



Santhu Chummar

*as delegate for the Auditor-General of Victoria*

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Melton City Council.
- (ii) All figures presented in these financial statements are presented in Australian Currency.
- (ii) These financial statements were authorised for issue by the Council on 14/09/20. Council has the power to amend and reissue these financial statements.

## Certification of Financial Statements

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



Sam Rumoro CPA  
**Principal Accounting Officer**  
Dated: 14 September 2020  
232 High Street, Melton VIC

In our opinion the accompanying financial statements present fairly the financial transactions of Melton City Council (the Council) for the year ended 30 June 2020 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 Lara Carli  
**Mayor**  
Dated: 14 September 2020  
232 High Street, Melton VIC




Cr Steve Abboushi  
**Deputy Mayor**  
Dated: 14 September 2020  
232 High Street, Melton VIC



Kelvin Tori  
**Chief Executive Officer**  
Dated: 14 September 2020  
232 High Street, Melton VIC

## Victorian Auditor-General's Office Audit Report



### Independent Auditor's Report

*To the Councillors of Melton City Council*

<b>Opinion</b>	<p>I have audited the financial report of Melton City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2020</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• statement of capital works for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors's responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

MELBOURNE  
21 September 2020



Santhu Chummar

as delegate for the Auditor-General of Victoria



## Understanding Council's Financial Report

### Introduction

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

### What you will find in the Report

The financial report contains information on the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

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

### About the Certification of the Financial Statements

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

### About the Primary Financial Statements

The financial statements incorporate five primary financial statements:

#### 1. Comprehensive Income Statement

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

Includes other comprehensive income which primarily records changes in the fair values of Council's property, infrastructure, plant and equipment.

#### 2. Balance Sheet

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

#### 3. Statement of Changes in Equity

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

#### 4. Statement of Cash Flows

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

#### 5. Statement of Capital Works

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

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements and together with the primary financial statements, make up the financial report.

### About the Auditor's Reports

Council's financial report is required to be audited by external auditors (that generally specialise in local government).

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

### Who uses the Financial Report?

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

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

# Financial Statements

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## Comprehensive Income Statement

For the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income and Revenue</b>			
Rates & Charges	3.1	124,314	114,169
Statutory Fees and Fines	3.2	10,448	7,892
User Fees	3.3	9,652	12,166
Grants - Operating	3.4(a)	30,004	31,028
Grants - Capital	3.4(b)	8,659	10,655
Contributions - Monetary	3.5	63,127	17,376
Contributions - Non-monetary	3.5	211,066	186,159
Net gain (loss) on disposal of property, infrastructure, plant and equipment	3.6	(11,114)	(2,405)
Fair value adjustments for investment property	6.3	( 228)	223
Share of net profits (loss) of associates and joint ventures		-	(62)
Other Income	3.7	9,620	5,504
<b>Total income and revenue</b>		<b>455,548</b>	<b>382,705</b>
<b>Expenses</b>			
Employee Costs	4.1(a)	53,806	50,722
Materials & Services	4.2	91,704	80,264
Depreciation	4.3	38,989	33,581
Amortisation – intangible assets	4.4	327	327
Amortisation – right of use assets	4.5	127	-
Bad and doubtful debts	4.6	437	778
Borrowing Costs	4.7	632	839
Finance costs - leases	4.8	10	-
Other expenses	4.9	606	-
<b>Total Expenses</b>		<b>186,638</b>	<b>166,511</b>
<b>Surplus for the Year</b>		<b>268,910</b>	<b>216,194</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	(7,200)	133,881
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(7,200)</b>	<b>133,881</b>
<b>Total other comprehensive income for the year</b>		<b>(7,200)</b>	<b>133,881</b>
<b>Total comprehensive result</b>		<b>261,710</b>	<b>350,075</b>

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

## Balance Sheet

As at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	146,866	117,549
Trade and other receivables	5.1(c)	43,867	27,663
Other financial assets	5.1(b)	104,334	62,402
Inventories	5.2(a)	41	41
Non-current assets classified as held for sale	6.1	1,618	1,636
Other assets	5.2(b)	14,432	30,609
<b>Total current assets</b>		<b>311,158</b>	<b>239,900</b>
<b>Non-current assets</b>			
Other financial assets	5.1(b)	-	306
Inventories	5.2(a)	67	119
Property, infrastructure, plant and equipment	6.2	2,509,570	2,303,763
Right-of-use assets	5.8(a)	613	-
Investment property	6.3	7,175	7,300
Intangible assets	5.2(c)	3,031	3,357
<b>Total non-current assets</b>		<b>2,520,456</b>	<b>2,314,845</b>
<b>TOTAL ASSETS</b>		<b>2,831,614</b>	<b>2,554,745</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	35,942	25,917
Trust funds and deposits	5.3(b)	8,946	2,591
Provisions	5.5	11,846	10,546
Interest-bearing liabilities	5.4	2,306	2,962
Lease liabilities	5.8(b)	255	-
<b>Total current liabilities</b>		<b>59,295</b>	<b>42,016</b>
<b>Non-current liabilities</b>			
Trust funds and deposits	5.3(b)	9,245	5,177
Provisions	5.5	1,668	1,718
Interest-bearing liabilities	5.4	10,674	12,981
Lease liabilities	5.8(b)	384	-
<b>Total non-current liabilities</b>		<b>21,971</b>	<b>19,876</b>
<b>TOTAL LIABILITIES</b>		<b>81,266</b>	<b>61,892</b>
<b>Net assets</b>		<b>2,750,348</b>	<b>2,492,853</b>
<b>EQUITY</b>			
Accumulated Surplus		1,584,786	1,397,244
Reserves	9.1	1,165,562	1,095,609
<b>Total equity</b>		<b>2,750,348</b>	<b>2,492,853</b>

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

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Melton City Council

Annual Report 2019/2020

## Statement of Changes in Equity

For the year ended 30 June 2020

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
<b>2020</b>					
<b>Balance at beginning of the financial year</b>		2,492,853	1,397,244	939,089	156,520
Impact of change in accounting policy - AASB 1058					
Income of Not-for-Profit Entities	10	(4,215)	(4,215)	-	-
<b>Adjusted Opening balance</b>		<b>2,488,638</b>	<b>1,393,029</b>	<b>939,089</b>	<b>156,520</b>
<b>Surplus for the year</b>		<b>268,910</b>	<b>268,910</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>					
- Net asset revaluation increment/ (decrement)	6.2	(7,200)	-	(7,200)	-
<b>Other comprehensive income</b>		<b>(7,200)</b>	<b>-</b>	<b>(7,200)</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>261,710</b>	<b>268,910</b>	<b>(7,200)</b>	<b>-</b>
Transfers to other reserves	9.1	-	(115,666)	-	115,666
Transfers from other reserves	9.1	-	38,513	-	(38,513)
<b>Balance at end of the financial year</b>		<b>2,750,348</b>	<b>1,584,786</b>	<b>931,889</b>	<b>233,673</b>
<b>2019</b>					
<b>Balance at beginning of the financial year</b>		2,142,778	1,254,270	805,208	83,300
<b>Surplus for the year</b>		<b>216,194</b>	<b>216,194</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>					
- Net asset revaluation increment/ (decrement)	6.2	133,881	-	133,881	-
<b>Other comprehensive Income</b>		<b>133,881</b>	<b>-</b>	<b>133,881</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>350,075</b>	<b>216,194</b>	<b>133,881</b>	<b>-</b>
Transfers to other reserves	9.1	-	(117,865)	-	117,865
Transfers from other reserves	9.1	-	44,645	-	(44,645)
<b>Balance at end of the financial year</b>		<b>2,492,853</b>	<b>1,397,244</b>	<b>939,089</b>	<b>156,520</b>

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

## Statement of Cash Flows

For the year ended 30 June 2020

\$ '000	Notes	2020 Inflows/ (Outflows)	2019 Inflows/ (Outflows)
<b>Cash flows from operating activities</b>			
Rates and charges		119,639	112,825
Statutory fees and fines		10,448	7,892
User fees		9,652	12,166
Grants - operating		30,004	31,028
Grants - capital		4,444	10,655
Contributions - monetary		63,127	17,376
Interest received		3,432	3,672
Trust Funds and deposits taken		10,423	1,308
Other receipts		1,052	10,245
Net GST refund/(payment)		20,760	25,472
Employee costs		(53,318)	(43,640)
Materials and services		(88,595)	(71,998)
Other payments		(4,347)	(19,471)
<b>Net cash provided by/(used in) operating activities</b>	9.2	<b>126,721</b>	<b>97,530</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.2	(57,231)	(78,298)
Proceeds from sale of property, infrastructure, plant and equipment		5,694	21,483
Payments for investments		(42,160)	(52,340)
Proceeds from sale of investments		-	(62)
<b>Net cash provided by/(used in) investing activities</b>		<b>(93,697)</b>	<b>(109,217)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(632)	(839)
Repayment of borrowings		(2,963)	(2,830)
Interest paid - lease liability		(10)	-
Repayment of lease liabilities		(101)	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,706)</b>	<b>(3,669)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>29,318</b>	<b>(15,356)</b>
Cash and cash equivalents at the beginning of the financial year		117,549	132,905
<b>Cash and cash equivalents at the end of the financial year</b>		<b>146,866</b>	<b>117,549</b>
Financing arrangements	5.6	2,000	2,000
Restrictions on cash assets	5.1	157,428	86,829

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



## Statement of Capital Works

For the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Property</b>			
Land		-	3,837
<b>Total land</b>		<b>-</b>	<b>3,837</b>
Buildings		21,557	15,683
<b>Total buildings</b>		<b>21,557</b>	<b>15,683</b>
<b>Total property</b>		<b>21,557</b>	<b>19,520</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		9 91	1,032
Fixtures, fittings and furniture		-	54
Computers and telecommunications		698	315
Library books		478	423
<b>Total plant and equipment</b>		<b>2,167</b>	<b>1,824</b>
<b>Infrastructure</b>			
Roads		9,568	14,850
Bridges		166	4,303
Footpaths and cycleways		1,254	1,715
Drainage		579	241
Recreational, leisure and community facilities		15,281	28,007
Other infrastructure		275	2,096
<b>Total infrastructure</b>		<b>27,123</b>	<b>51,212</b>
<b>Total capital works expenditure</b>		<b>50,847</b>	<b>72,556</b>
<b>Represented by:</b>			
New asset expenditure		14,912	53,618
Asset renewal expenditure		8,300	9,540
Asset expansion expenditure		2,225	7,859
Asset upgrade expenditure		25,410	1,539
<b>Total capital works expenditure</b>		<b>50,847</b>	<b>72,556</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Overview

#### Introduction

The Melton City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate.

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

#### Statement of compliance

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

#### Significant accounting policies

##### (a) Basis of accounting

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience

and various other factors that are believed to be reasonable under the circumstances.

Where possible, the estimated impact of the COVID-19 pandemic has been considered and factored in to any judgements and assumptions made, however the nature of the pandemic is highly unpredictable. 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 AAS's that have significant effects on the financial statements and estimates relate to:

- (i) the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2.)
- (ii) the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2.).
- (iii) the determination of employee provisions (refer to Note 5.5.).
- (iv) the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- (v) the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance shortterm or low value (refer to Note 5.8)
- (vi) other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

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## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 1. Performance against budget

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

The budget figures detailed below are those adopted by Council on 24 June 2019. The budget was based on assumptions that were relevant at the time of adoption of the budget.

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

\$ '000	Budget 2020	Actual 2020	Variance 2020	Variance 2020	Ref
<b>1.1. Income, revenue and expenditure</b>				<b>%</b>	
<b>Income and revenue</b>					
Rates and charges	122,646	124,314	1,668	1.36%	1
Statutory fees and fines	7,513	10,448	2,935	39.07%	2
User fees	10,274	9,652	(622)	-6.05%	3
Grants - operating	29,811	30,004	193	0.65%	
Grants - capital	6,898	8,659	1,761	25.53%	4
Contributions - monetary	30,306	63,127	32,821	108.30%	5
Contributions - non monetary	100,588	211,066	110,478	109.83%	6
Net gain (loss) on disposal of property, infrastructure, plant and equipment	8,853	(11,114)	(19,967)	-225.54%	7
Other income	4,565	9,620	5,055	110.73%	8
<b>Total income and revenue</b>	<b>321,454</b>	<b>455,548</b>	<b>134,094</b>	<b>41.71%</b>	
<b>Expenses</b>					
Employee costs	62,659	53,806	(8,853)	-14.13%	9
Materials and services	72,873	91,704	18,831	25.84%	10
Depreciation	37,015	38,989	1,974	5.33%	11
Amortisation - intangible assets	-	327	327	0.00%	12
Amortisation - right of use assets	-	127	127	0.00%	13
Bad and doubtful debts	500	437	(63)	-12.60%	14
Borrowing costs	644	632	(12)	-1.86%	
Finance costs - leases	-	10	10	0.00%	15
Other expenses	7,666	606	(7,060)	-92.09%	16
<b>Total expenses</b>	<b>181,357</b>	<b>186,638</b>	<b>5,281</b>	<b>2.91%</b>	
<b>Surplus for the year</b>	<b>140,097</b>	<b>268,910</b>	<b>128,813</b>	<b>91.95%</b>	

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 1. Performance against budget (continued)

#### 1.1. Income and expenditure (continued)

##### Explanation of material variations

Item	Explanation
------	-------------

- |    |   |
|----|---|
| 1. | Favourable variance for the year is primarily attributable to supplementary rates received being higher than budgeted. There was a higher number of properties released due to improving property market conditions in the first nine months of the financial year. In addition, Environmental Enhancement Rebates were lower than budgeted.  |
| 2. | The favourable variance to budget for Statutory Fees & Fines was due to a number of factors, including: <ul style="list-style-type: none"> <li>• Higher than expected infringements within the Community Safety area;</li> <li>• Building Sites Litter Enforcement fines;</li> <li>• Swimming Pool Regulations fee which was introduced during the year, and unbudgeted; and</li> <li>• Animal registrations being reported under Statutory Fees, but budgeted within User Fees.</li> </ul>   |
| 3. | The unfavourable variance to budget for User Fees and Charges is primarily due to rental and lease income, as well as a reduction in program fees due to COVID-19 restrictions during the last quarter of the 2019/20 financial year.   |
| 4. | Favourable variance was mainly due to unbudgeted capital grants received during the year, including funding for: <ul style="list-style-type: none"> <li>• Eynesbury Station Early Learning Centre</li> <li>• Brookeside Pavilion Redevelopment</li> <li>• Kurunjang Neighbourhood House</li> <li>• Melton Recycling Centre Upgrade</li> <li>• Melton Secondary College Sportsfield</li> </ul> <p>These favourable variances were partly offset by timing of receipt of various capital grants.</p>  |
| 5. | Monetary Contributions were higher than budgeted due to significant increase in the level of development activity during the year than was projected. There was an increase of 46% in the amount of land developed compared to the prior year, and a 61% increase in lots released.   |
| 6. | Significant volumes of Non-Monetary Contributions were recognised during the year which is a reflection of the level of development activity which took place within the municipality.  |
| 7. | Unbudgeted disposal of various building and infrastructure assets was the main reason for the unfavourable variance. Lower than anticipated sales within the Atherstone development due to a high level of cancellations during the year and the impact of COVID-19 also had a significant impact on the result.  |
| 8. | The favourable variance in other income is attributable to: <ul style="list-style-type: none"> <li>• Interest on investments exceeding budget due to higher levels of cash available. This was due to timing of completion of capital works and higher monetary contributions;</li> <li>• Reimbursement of Hume Drive duplication which was unbudgeted; and</li> <li>• Transfer Station income higher than budgeted due to savings in operational budget. This is offset by the unbudgeted payments to the contractor for operation of the Transfer Station noted below in Materials and Services.</li> </ul> |

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 1. Performance against budget (continued)

#### 1.1. Income and expenditure (continued)

##### Explanation of material variations

Item	Explanation
------	-------------

- |     |  |
|-----|--|
| 9.  | There is a favourable variance in employee costs to budget primarily due to difficulties filling a number of vacant positions within Council, which were either not filled or filled later than planned. This is partly offset by the costs of contract labour required to fill some of these vacant roles as reported under Materials and Services.   |
| 10. | This unfavourable variance to budget is attributable to: <ul style="list-style-type: none"> <li>• Increased contract labour costs required to fill vacant budgeted positions (as noted above), as well as other temporary staff assignments;</li> <li>• Components of the capital works program that can't be capitalised;</li> <li>• Waste disposal costs not budgeted for (as noted above in Other Income); and</li> <li>• Utilities costs being budgeted under Other Expenses.</li> </ul> |
| 11. | Depreciation for Kerb and Channel, Footpaths, Traffic Management Devices and Bridges exceeded budget estimates. Budget was prepared prior to end of 2018/19 financial year, therefore a number of estimates were required. The actual value of assets contributed, as well as the timing of completion of capital projects, has varied from estimates and impacts on the actual depreciation expense.  |
| 12. | Amortisation for intangible assets was budgeted for under Depreciation, however the actual expense is recognised separately from Depreciation this year in line with classification in model financial statements.   |
| 13. | Amortisation of Right of Use Assets is a new item due to the introduction of the new accounting standard <i>AASB16 Leases</i> which was not budgeted for as the impact was unknown.  |
| 14. | Bad and Doubtful debts is favourable to budget due to various measures introduced to improve collection rates.   |
| 15. | Finance costs for Leases is a new item due to the introduction of the new accounting standard <i>AASB16 Leases</i> which was not budgeted for as the impact was unknown.   |
| 16. | The favourable variance to budget is mostly due to Utilities expenditure being reported under Materials and Services, while budgeted as Other Expenses. Partially offsetting this favourable variance are unbudgeted items such as the loss on sale of Regional Kitchen investment.  |



## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 1. Performance against budget (continued)

\$ '000	Budget 2020	Actual 2020	Variance 2020	Variance %	Ref
<b>1.2. Capital works</b>					
<b>Property</b>					
Land	2,694	-	(2,694)	-100.00%	1
<b>Total land</b>	<b>2,694</b>	<b>-</b>	<b>(2,694)</b>	<b>-100.00%</b>	
Buildings	22,267	21,557	(710)	-3.19%	2
<b>Total buildings</b>	<b>22,267</b>	<b>21,557</b>	<b>(710)</b>	<b>-3.19%</b>	
<b>Total property</b>	<b>24,961</b>	<b>21,557</b>	<b>(3,404)</b>	<b>-13.64%</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,664	991	(673)	-40.44%	3
Fixtures, fittings and furniture	157	-	(157)	-100.00%	4
Computers and telecommunications	535	698	163	30.47%	5
Library books	473	478	5	1.06%	
<b>Total plant and equipment</b>	<b>2,829</b>	<b>2,167</b>	<b>(662)</b>	<b>-23.40%</b>	
<b>Infrastructure</b>					
Roads	20,620	9,568	(11,052)	-53.60%	6
Bridges	123	166	43	34.96%	7
Footpaths and cycleways	1,094	1,254	160	14.63%	8
Drainage	210	579	369	175.71%	9
Recreational, leisure and community facilities	15,337	15,281	(56)	-0.37%	
Other infrastructure	1,540	275	(1,265)	-82.14%	10
<b>Total infrastructure</b>	<b>38,924</b>	<b>27,123</b>	<b>(11,801)</b>	<b>-30.32%</b>	
<b>Total capital works expenditure</b>	<b>66,714</b>	<b>50,847</b>	<b>(15,867)</b>	<b>-23.78%</b>	
<b>Represented by:</b>					
New asset expenditure	30,064	14,912	(15,152)	-50.40%	
Asset renewal expenditure	11,579	8,300	(3,279)	-28.32%	
Asset expansion expenditure	5,434	2,225	(3,209)	-59.05%	
Asset upgrade expenditure	19,637	25,410	5,773	29.40%	
<b>Total capital works expenditure</b>	<b>66,714</b>	<b>50,847</b>	<b>(15,867)</b>	<b>-23.78%</b>	

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 1. Performance against budget (continued)

#### 1.2. Capital works (continued)

##### Explanation of material variations

Item	Explanation
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- |    |  |
|----|--|
| 1. | Budgeted land purchases within development areas are now planned to take place during 2020/21 financial year. These include Shogaki Drive and Melton North PSP Active Open Space and Public Open Space.  |
| 2. | Under expenditure compared to budget was due to the following: <ul style="list-style-type: none"> <li>• Plumpton Aquatic Centre – Land development in the area has not progressed to a point where the identified land parcel is available for acquisition;</li> <li>• Brookside Pavilion redevelopment and Courthouse Café design and construction works are now planned to occur during the 2020/21 financial year;</li> <li>• Aintree Community Hub and Whitehouse Community Hub were completed under budget due to accelerated delivery by the contractor;</li> <li>• Melton Recycling Facility Improvement Stage 2 works are now planned to occur during 2020/21 financial year; and</li> <li>• Female friendly changeroom upgrade program is now expected to be completed in 2020/21 financial year.</li> </ul> <p>Offsetting this was over expenditure on the following:</p> <ul style="list-style-type: none"> <li>• Fraser Rise Community Centre – works were incurred and carried forward from 2018/19 budget; and</li> <li>• Cobblebank Indoor Stadium construction works are ahead of what was scheduled to be completed during 2019/20 financial year.</li> </ul> |
| 3. | Vehicle purchases were put on hold whilst an investigation into leasing options was undertaken.  |
| 4. | Furniture and fittings purchased during the year were below the capitalisation threshold.  |
| 5. | The variance to budget is due to the rapid deployment of mobility related initiatives, in particular laptop computers. This allowed staff the flexibility to work remotely during COVID-19 restrictions.   |
| 6. | The variance is largely due to budgeted road projects being in the design phase, with construction to commence during 2020/21. These include: <ul style="list-style-type: none"> <li>• Taylors Road and Westwood Drive intersection – delays in plan approval;</li> <li>• Caroline Springs Boulevard and Rockbank Middle Road signalised intersection – unexpected environmental concerns to address resulted in delays;</li> <li>• Sealed roads renewal program;</li> <li>• Taylors Road – delays in plan approval;</li> <li>• Boundary Road – negotiations delayed this joint project;</li> <li>• Brooklyn Road and Station Road signalised intersection – delayed by need for asbestos and tree removal;</li> <li>• Major Traffic Management upgrade program – delayed by planning timeframes with other authorities;</li> <li>• Streetscape Improvements program – delayed as defects need to be addressed prior to continuing project;</li> <li>• Bulmans Road – delay in approvals from other authorities and parties; and</li> <li>• Roadside Hazard Safety Improvements program – procurement delays.</li> </ul>   |

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 1. Performance against budget (continued)

#### 1.2. Capital works (continued)

##### Explanation of material variations

Item	Explanation
------	-------------

6.	(continued)
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	In addition, the following projects were incomplete due to impact of government regulation, social distancing and other COVID-19 restrictions in the last quarter of the financial year and will be carried forward for completion in 2020/21:
--	--

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Sealed roads renewal program;</li> <li>• City Vista Court; and</li> <li>• Shared Path construction program.</li> </ul> |
|--|---|

	The main reasons for road projects being carried over into the 2020/21 financial year are COVID-19 impacts, timing of utility and local authority approvals, environmental matters and delays in procurement of the contracts. These factors were largely beyond Council's control.
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- |     |   |
|-----|---|
| 7.  | Budgeted bridgeworks have been completed with costs slightly higher than budget.  |
| 8.  | Expenditure incurred to complete committed footpath renewal and extension programs from prior year.   |
| 9.  | Expenditure relating to Water Sensitive Urban Design (WSUD) and Drainage infrastructure programs incurred to complete committed projects from prior year.   |
| 10. | Solar retrofit program and Silverdale Sound Walls design and construction are now planned to commence in 2020/21 financial year.<br>The solar retrofit program experienced delays as access to buildings to carry out works was impacted by COVID-19 restrictions.<br>Silverdale Sound Wall project has experienced delays in design as community consultation is required to assess the impacts. |

## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 2. Analysis of Council results by program

Note 2(a). Council delivers its functions and activities through the following programs.

#### CEO and governance

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

#### Corporate services

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

#### Community services

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

#### Planning and development

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

## Notes to the Financial Statements

For the year ended 30 June 2020

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Note 2. Analysis of Council results by program (continued)

Note 2(b). Summary of revenues, expenses, assets and capital expenses by program

Functions/activities	Income, revenue, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(a).				
	Income and Revenue	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	2020	2020	2020	2020	2020
CEO and governance	824	3,302	(2,478)	–	–
Corporate services	409,265	75,448	333,817	16,768	1,008,687
Community services	15,122	32,309	(17,187)	13,132	56,798
Planning and development	30,337	75,579	(45,242)	8,763	1,766,129
<b>Total functions and activities</b>	<b>455,548</b>	<b>186,638</b>	<b>268,910</b>	<b>38,663</b>	<b>2,831,614</b>

Functions/activities	Income, revenue, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(a).				
	Income and Revenue	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	2019	2019	2019	2019	2019
CEO and governance	1,650	3,710	(2,060)	–	–
Corporate services	336,776	62,453	274,323	16,568	859,300
Community services	16,865	30,970	(14,105)	13,588	43,444
Planning and development	27,414	69,378	(41,964)	11,527	1,652,001
<b>Total functions and activities</b>	<b>382,705</b>	<b>166,511</b>	<b>216,194</b>	<b>41,683</b>	<b>2,554,745</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 3. Funding for the delivery of our services

\$ '000	2020	2019
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#### 3.1. Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and improvements.

The valuation base used to calculate general rates for 2019/20 was \$34,853 million (2018/19: \$32,166 million).

General rates	76,545	71,620
Municipal charge	8,891	8,286
Supplementary rates and rate adjustments	5,964	3,372
Interest on rates and charges	491	666
Commercial	5,945	5,711
Industrial	6,825	5,646
Rural	4,750	5,438
Garbage charge	14,903	13,430
<b>Total rates and charges</b>	<b>124,314</b>	<b>114,169</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be first applied in the rating year commencing 1 July 2020.

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.

As a result of the financial impact of COVID-19 on the community, Council resolved to provide a waiver of rates to the value of \$200 per applicant where financial hardship was demonstrated. Applications continue to be assessed after the end of the 2019/20 financial year, and the estimated total of the waivers is expected to be around \$490,000 in 2019/20.

#### 3.2. Statutory fees and fines

Infringements and costs	3,012	1,639
Court recoveries	529	731
Land information certificates	159	129
Permits	4,720	3,780
Property information requests	1,282	915
Other	746	698
<b>Total statutory fees and fines</b>	<b>10,448</b>	<b>7,892</b>

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



## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 3. Funding for the delivery of our services (continued)

\$ '000	2020	2019
<b>3.3. User fees</b>		
Aged and health services	440	485
Leisure centre and recreation	1,257	1,775
Child care/children's programs	533	760
Registration and other permits	433	1,076
Building services	592	375
Waste management services	-	2,499
Youth program fees	49	121
Subdivision fees	4,931	3,473
Other fees and charges	1,417	1,602
<b>Total user fees</b>	<b>9,652</b>	<b>12,166</b>

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Income from user fees has been affected in 2019/20 due to the closure of Council's recreational and community facilities, and cessation of some community programs in response to the COVID-19 pandemic.

### 3.4. Funding from other levels of government

Grants were received in respect of the following:

<b>Summary of grants</b>		
Commonwealth funded grants	22,891	21,781
State funded grants	15,632	19,766
Other funding grants	140	136
<b>Total grants received</b>	<b>38,663</b>	<b>41,683</b>

#### (a) Operating Grants

##### **Recurrent - Commonwealth Government**

Financial Assistance Grant	16,768	16,093
Family day care	1,470	1,519
Other	3,369	3,514

##### **Recurrent - State Government**

Aged care	1,204	1,935
Libraries	937	914
Children's services	3,127	2,755
Community support and development	1,171	1,130
Community health	102	104
Planning and development	-	220
Youth services	506	360
Other community	155	365
Other	486	498
<b>Total recurrent operating grants</b>	<b>29,295</b>	<b>29,407</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 3. Funding for the delivery of our services (continued)

\$ '000	2020	2019
3.4. Funding from other levels of government (continued)		
<b>(a) Operating Grants (continued)</b>		
<b>Non-recurrent - State Government</b>		
Community health	44	138
Family and children	33	100
Children's services	43	384
Community support and development	179	168
Community safety	4	85
Environment	100	127
Family, youth and housing	78	98
Other	228	521
<b>Total non-recurrent operating grants</b>	<b>709</b>	<b>1,621</b>
<b>Total operating grants</b>	<b>30,004</b>	<b>31,028</b>
<b>(b) Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	1,284	136
<b>Recurrent - State Government</b>		
Other	23	23
<b>Total recurrent capital grants</b>	<b>1,307</b>	<b>159</b>
<b>Non-recurrent - Commonwealth Government</b>		
Streetscape	-	655
<b>Non-recurrent - State Government</b>		
Buildings	2,342	2,810
Recreation	4,775	5,151
Other	235	1,880
<b>Total non-recurrent capital grants</b>	<b>7,352</b>	<b>10,496</b>
<b>Total capital grants</b>	<b>8,659</b>	<b>10,655</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner:</b>		
<b>Operating</b>		
Balance at start of year	2,220	644
Received during the financial year and remained unspent at balance date	-	2,220
Received in prior years and spent during the financial year	(2,220)	(644)
<b>Balance at year end</b>	<b>-</b>	<b>2,220</b>

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 3. Funding for the delivery of our services (continued)

\$ '000	2020	2019
<b>3.5. Contributions</b>		
Monetary	63,127	17,376
Non-monetary contributions	211,066	186,159
<b>Total contributions</b>	<b>274,193</b>	<b>203,535</b>
<b>Non-monetary contributions</b>		
<i>Contributions of non-monetary assets were received in relation to the following asset classes:</i>		
Land	23,438	51,008
Land under roads	34,362	9,905
Roads	57,064	65,143
Footpaths	16,433	11,925
Drainage	56,658	32,802
Recreation	716	1,280
Kerb and channel	13,550	6,435
Traffic management	5,578	5,674
Bridges	300	5
Car parks	2,967	1,982
<b>Total non-monetary contributions</b>	<b>211,066</b>	<b>186,159</b>
Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.		
<b>3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
<b>Land Held for Sale</b>		
Proceeds of sale	5,287	21,483
Written down value of assets disposed	(6,020)	(12,157)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(733)</b>	<b>9,326</b>
<b>Buildings</b>		
Proceeds of sale	-	-
Written down value of assets disposed	(394)	(1,714)
<b>Total net gain/(loss) on disposal of Buildings</b>	<b>(394)</b>	<b>(1,714)</b>
<b>Plant and equipment</b>		
Proceeds of sale	407	-
Written down value of assets disposed	(528)	(552)
<b>Total net gain/(loss) on disposal of Plant and equipment</b>	<b>(121)</b>	<b>(552)</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 3. Funding for the delivery of our services (continued)

\$ '000	2020	2019
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment (continued)		
<b>Infrastructure Assets</b>		
Proceeds of sale	-	-
Written down value of assets disposed	(9,866)	(9,465)
<b>Total net gain/(loss) on disposal of Infrastructure Assets</b>	<b>(9,866)</b>	<b>(9,465)</b>
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(11,114)</b>	<b>(2,405)</b>

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

### 3.7. Other income

Interest	3,432	3,672
Investment property rental	617	289
Festival sponsorship	113	33
Program revenue	607	793
Rebates	-	(7)
Waste facility	3,763	-
Other	1,088	724
<b>Total other income</b>	<b>9,620</b>	<b>5,504</b>

Interest is recognised as it is earned.

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

Interest income has been affected by lower interest rates on investments as a result of economic uncertainty created by the COVID-19 pandemic.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 4. The cost of delivering services

\$ '000	2020	2019
<b>4.1. (a). Employee costs</b>		
Wages and salaries	46,729	44,103
WorkCover	904	859
Casual staff	860	998
Superannuation	4,348	4,070
Fringe benefits tax	136	123
Other	829	569
<b>Total employee costs</b>	<b>53,806</b>	<b>50,722</b>

### 4.1. (b). Superannuation

Council made contributions to the following funds:

#### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	163	156
	<b>163</b>	<b>156</b>
Employer contributions payable at reporting date.	-	-

#### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,262	2,220
Employer contributions - other funds	1,923	1,694
	<b>4,185</b>	<b>3,914</b>
Employer contributions payable at reporting date.	-	-
<b>Total superannuation costs</b>	<b>4,348</b>	<b>4,070</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 4. The cost of delivering services (continued)

\$ '000	2020	2019
<b>4.2. Materials and services</b>		
Contract payments	38,272	35,864
General maintenance	11,166	8,224
Utilities	6,555	6,127
Information technology	2,761	825
Insurance	1,189	1,208
Consultants	334	407
Garbage collection and disposal	2,891	488
Contract labour	9,864	7,175
Administrative support	6,530	8,281
Program expenses	4,568	4,230
Professional fees	3,322	3,388
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	56	70
Auditors' remuneration - internal	108	103
Contributions and donations	559	643
Councillors allowances	380	374
Transport and vehicle operations	406	516
Other	2,743	2,341
<b>Total materials and services</b>	<b>91,704</b>	<b>80,264</b>
<b>4.3. Depreciation</b>		
<b>Property</b>		
Buildings - specialised	5,828	5,190
Buildings - non specialised	591	522
<b>Total depreciation - property</b>	<b>6,419</b>	<b>5,712</b>
<b>Plant and equipment</b>		
Plant machinery and equipment	832	799
Fixtures fittings and furniture	44	47
Computers and telecomms	233	100
Library books	180	171
<b>Total depreciation - plant and equipment</b>	<b>1,289</b>	<b>1,117</b>



## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 4. The cost of delivering services (continued)

\$ '000	2020	2019
4.3. Depreciation (continued)		
<b>Infrastructure</b>		
Roads	10,277	10,406
Bridges	1,256	483
Footpaths and cycleways	3,520	3,130
Drainage	4,674	4,203
Recreational, leisure and community	3,521	3,030
Off street car parks	457	413
Kerb and channel	4,092	1,846
Traffic management	3,393	3,150
Other infrastructure	91	91
<b>Total depreciation - infrastructure</b>	<b>31,281</b>	<b>26,752</b>
<b>Total depreciation</b>	<b>38,989</b>	<b>33,581</b>
<i>Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
4.4. Amortisation - Intangible assets		
Intangible assets	327	327
<b>Total Amortisation - Intangible assets</b>	<b>327</b>	<b>327</b>
4.5. Amortisation - Right of use assets		
Equipment	127	-
<b>Total Amortisation - Right of use assets</b>	<b>127</b>	<b>-</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 4. The cost of delivering services (continued)

\$ '000	2020	2019
4.6. Bad and doubtful debts		
Other debtors	184	542
Infringements	217	236
<b>Total bad and doubtful debts</b>	<b>437</b>	<b>778</b>

#### Movement in provisions for doubtful debts

Balance at the beginning of the year	549	25
New provisions recognised during the year	184	541
Amounts already provided for and written off as uncollectible	(242)	(17)
<b>Balance at end of year</b>	<b>491</b>	<b>549</b>

Provision for doubtful debt is recognised based on an expected credit loss model.

This model considers both historic and forward looking information in determining the level of impairment.

### 4.7. Borrowing costs

Interest - Borrowings	632	839
<b>Total borrowing costs</b>	<b>632</b>	<b>839</b>

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.

### 4.8. Finance Costs - Leases

Interest - Lease Liabilities	10	-
<b>Total finance costs</b>	<b>10</b>	<b>-</b>

### 4.9. Other expenses

Loss on Sale of Financial Assets	5.1(b) 306	-
Other	300	-
<b>Total other expenses</b>	<b>606</b>	<b>-</b>

Council's share of Regional Kitchen Pty Ltd was sold during 2019/20 to Western Health (ABN 61 166 735 672), a State Government entity.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position

\$ '000		2020	2019
<b>5.1. Financial assets</b>			
<b>(a) Cash and cash equivalents</b>			
Cash on hand		9	7
Cash at bank		2,904	5,596
Term deposits		143,954	111,946
<b>Total cash and cash equivalents</b>		<b>146,867</b>	<b>117,549</b>
<b>(b) Other financial assets</b>			
<b>Current</b>			
Term deposits		104,334	62,402
<b>Total current other financial assets</b>		<b>104,334</b>	<b>62,402</b>
<b>Non-current</b>			
Unlisted shares - Regional Kitchen Pty Ltd	4.9	-	306
<b>Total non-current other financial assets</b>		<b>-</b>	<b>306</b>
<b>External restrictions</b>			
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust funds and deposits	5.3	18,191	7,768
Reserves	9.1(b)	137,546	78,637
Fire services levy		1,691	424
<b>Total restricted funds</b>		<b>157,428</b>	<b>86,829</b>
<b>Total unrestricted cash and cash equivalents</b>		<b>(10,561)</b>	<b>30,720</b>
<b>Intended allocations</b>			
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:			
Cash held to fund carried forward capital works		27,368	10,237
<b>Total funds subject to intended allocations</b>		<b>27,368</b>	<b>10,237</b>

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. Term deposits with maturities between 90 and 180 days are classified as other financial assets, and not included in the calculation of unrestricted cash above.

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000	2020	2019
5.1. Financial assets (continued)		
(c) Trade and other receivables		
<i>Statutory receivables</i>		
Rates debtors	11,362	6,687
Infringement debtors	4,616	4,013
<i>Non-statutory receivables</i>		
Accrued interest	221	346
Other debtors	31,127	20,161
<b>Provisions for doubtful debts</b>		
Provision for doubtful debts - other debtors	(491)	(549)
Provision for doubtful debts - infringements	(2,968)	(2,995)
<b>Total trade and other receivables</b>	<b>43,867</b>	<b>27,663</b>

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

#### (d) Ageing of Receivables

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

Current (not yet due)	1,733	13,319
Past due by up to 30 days	11,493	1,529
Past due between 31 and 180 days	15,849	613
Past due between 181 and 365 days	1,782	575
Past due by more than 1 year	-	5,092
<b>Total trade and other receivables</b>	<b>30,857</b>	<b>21,128</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000	2020	2019
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#### 5.1. Financial assets (continued)

##### (e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$491,563 (2019: \$549,454) were impaired. The amount of the provision raised against these debtors was \$491,563 (2019: \$549,454). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	118
Past due between 181 and 365 days	491	209
Past due by more than 1 year	-	222
<b>Total trade and other receivables</b>	<b>491</b>	<b>549</b>

#### 5.2. Non-financial assets

##### (a) Inventories

###### Current

Land for interment purposes at cost	41	41
<b>Total current inventories</b>	<b>41</b>	<b>41</b>

###### Non-Current

Land for interment purposes at cost	67	119
<b>Total non-current inventories</b>	<b>67</b>	<b>119</b>

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including inventory 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.

##### (b) Other assets

Prepayments	1,215	1,170
Accrued income	13,217	29,439
<b>Total current other assets</b>	<b>14,432</b>	<b>30,609</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

## Note 5. Our financial position (continued)

\$ '000	2020	2019
5.2. Non-financial assets (continued)		
(c) Intangible assets		
Non-exclusive licences - Caroline Springs College Creekside Campus	290	363
Non-exclusive licences - Springside Children's and Community Centre	1,036	1,134
Non-exclusive licences - Kororoit Creek Early Learning Centre	1,705	1,860
<b>Total intangible assets</b>	<b>3,031</b>	<b>3,357</b>

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

	Non-exclusive licences - Caroline Springs College Creekside Campus	Non-exclusive licences - Springside Children's and Community Centre	Non-exclusive licences - Kororoit Creek Early Learning Centre	Total
<b>Gross carrying amount</b>				
Balance at 1 July 2019	1,478	1,962	3,100	6,540
Balance at 1 July 2020	1,478	1,962	3,100	6,540
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2019	1,115	828	1,240	3,183
Amortisation expense	73	98	155	326
Balance at 1 July 2020	1,188	926	1,395	3,509
Net book value at 30 June 2019	363	1,134	1,860	3,357
Net book value at 30 June 2020	290	1,036	1,705	3,031

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



## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
<b>5.3. Payables</b>			
<b>(a) Trade and other payables</b>			
Trade payables		21,442	14,368
Accrued expenses		7,108	11,125
Fire services levy		1,691	424
Contract Liabilities	5.3(c)	5,701	-
<b>Total trade and other payables</b>		<b>35,942</b>	<b>25,917</b>
<b>(b) Trust funds and deposits</b>			
<b>Current</b>			
Refundable deposits		8,832	2,477
Construction retention monies		114	114
<b>Total current trust funds and deposits</b>		<b>8,946</b>	<b>2,591</b>
<b>Non-current</b>			
Refundable deposits		9,100	5,030
Other refundable deposits		145	147
<b>Total non-current trust funds and deposits</b>		<b>9,245</b>	<b>5,177</b>
<b>(c) Contract Liabilities</b>			
<i>Contract Liabilities shown in Note 5.3(a) above include:</i>			
Grants received in advance - operating		982	-
Grants received in advance - capital		4,654	-
Income received in advance - contracts with customers		65	-
<b>Total Contract Liabilities</b>	5.3(a)	<b>5,701</b>	<b>-</b>

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

#### **Purpose and nature of items**

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

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.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
<b>(c) Contractual Liabilities (continued)</b>			
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.			
<b>5.4. Interest-bearing liabilities</b>			
<b>Current</b>			
Borrowings - secured		2,306	2,962
		<b>2,306</b>	<b>2,962</b>
<b>Non-current</b>			
Borrowings - secured		10,674	12,981
		<b>10,674</b>	<b>12,981</b>
<b>Total</b>		<b>12,980</b>	<b>15,943</b>

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

#### (a) The maturity profile for Council's borrowings is:

Not later than one year	2,306	2,962
Later than one year and not later than five years	9,752	9,818
Later than five years	922	3,162
	<b>12,980</b>	<b>15,942</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000	Employee Provisions	Total
<b>5.5. Provisions</b>		
<b>2020</b>		
Balance at beginning of the financial year	12,264	12,264
Additional provisions	4,855	4,855
Amounts used	(3,604)	(3,604)
<b>Balance at the end of the financial year</b>	<b>13,515</b>	<b>13,515</b>
<b>2019</b>		
Balance at beginning of the financial year	11,784	11,784
Additional provisions	4,416	4,416
Amounts used	(3,936)	(3,936)
<b>Balance at the end of the financial year</b>	<b>12,264</b>	<b>12,264</b>
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	3,312	2,825
Long service leave	887	836
	<b>4,199</b>	<b>3,661</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	1,334	1,079
Long service leave	6,313	5,806
	<b>7,647</b>	<b>6,885</b>
<b>Total current employee provisions</b>	<b>11,846</b>	<b>10,546</b>
<b>Non-current</b>		
Long service leave	1,668	1,718
<b>Total non-current employee provisions</b>	<b>1,668</b>	<b>1,718</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	11,846	10,546
Non-current	1,668	1,718
<b>Total aggregate carrying amount of employee provisions</b>	<b>13,514</b>	<b>12,264</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000

#### 5.5. Provisions (continued)

##### (a) Employee provisions (continued)

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

##### *Wages and salaries and annual leave*

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

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

##### *Long service leave*

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

Key assumptions:	2020	2019
- discount rate	0.56%	1.04%
- index rate	4.25%	4.31%
- settlement rate	144 months	144 mths

#### 5.6. Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2020.

Bank overdraft	1,800	1,800
Credit card facilities	200	200
<b>Total facilities</b>	<b>2,000</b>	<b>2,000</b>
Used facilities - Credit card facilities	53	84
<b>Used facilities</b>	<b>53</b>	<b>84</b>
<b>Unused facilities</b>	<b>1,947</b>	<b>1,916</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000

#### 5.7. Commitments

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

\$ '000	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
<b>2020</b>					
<b>Operating</b>					
Recycling facility operations	4,875	5,000	-	-	9,875
Garbage and recycling collection	8,265	9,200	26,952	9,000	53,417
Health/cleaning services	1,450	-	-	-	1,450
Parks maintenance services	5,305	5,386	-	-	10,691
Road maintenance	6,366	6,500	2,990	-	15,856
IT services	784	580	580	-	1,944
Recreation/Leisure services	384	10	-	-	394
<b>Total Operating</b>	<b>27,429</b>	<b>26,676</b>	<b>30,522</b>	<b>9,000</b>	<b>93,627</b>
<b>Capital</b>					
Buildings	22,700	500	-	-	23,200
Roads	298	-	-	-	298
Recreational Facilities	8,924	50	-	-	8,974
<b>Total Capital</b>	<b>31,922</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>32,472</b>
<b>Total Commitments</b>	<b>59,351</b>	<b>27,226</b>	<b>30,522</b>	<b>9,000</b>	<b>126,099</b>
<b>2019</b>					
<b>Operating</b>					
Recycling facility operations	4,800	4,800	4,800	-	14,400
Garbage and recycling collection	7,500	7,500	21,417	13,000	49,417
Health/cleaning services	2,055	2,055	-	-	4,110
Corporate services	125	-	-	-	125
Parks maintenance services	5,929	6,105	-	-	12,034
Road maintenance	6,190	6,266	3,600	-	16,056
IT services	1,515	144	60	-	1,719
<b>Total Operating</b>	<b>28,114</b>	<b>26,870</b>	<b>29,877</b>	<b>13,000</b>	<b>97,861</b>
<b>Capital</b>					
Buildings	9,528	686	-	-	10,214
Roads	970	-	-	-	970
Recreational	10,326	310	81	-	10,717
<b>Total Capital</b>	<b>20,824</b>	<b>996</b>	<b>81</b>	<b>-</b>	<b>21,901</b>
<b>Total Commitments</b>	<b>48,938</b>	<b>27,866</b>	<b>29,958</b>	<b>13,000</b>	<b>119,762</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 5. Our financial position (continued)

#### 5.8. Leases

##### Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

##### Policy applicable after 1 July 2019

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as leases.

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.



## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 5. Our financial position (continued)

#### 5.8. Leases (continued)

##### Policy applicable after 1 July 2019 (continued)

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under *AASB 16 Leases* which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 5. Our financial position (continued)

\$ '000	Equipment	Total
5.8. Leases (continued)		
(a) Right-of-Use Assets		
Balance at 1 July 2019	740	740
Amortisation charge	(127)	(127)
<b>Balance at 30 June 2020</b>	<b>613</b>	<b>613</b>
(b) Lease Liabilities		
		2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year		337
One to five years		471
More than five years		-
<b>Total undiscounted lease liabilities as at 30 June:</b>		<b>808</b>
Lease liabilities included in the Balance Sheet at 30 June:		
Current		255
Non-current		384
<b>Total lease liabilities</b>		<b>639</b>

#### Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Council had no short-term leases or leases of low value assets during the financial year.

## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 5. Our financial position (continued)

#### 5.8. Leases (continued)

##### i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases .

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

##### ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases , the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

##### Impact on financial statements

On transition to AASB 16 Leases , Council recognised an additional \$740,295 of right-of-use assets and \$740,295 of lease liabilities.

When measuring lease liabilities, Council discounted lease payments using an estimated incremental borrowing rate of 3.19%.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 6. Assets we manage

\$ '000	2020	2019
6.1. Non current assets classified as held for sale		
Fair value of land	1,618	1,636
<b>Total non current assets classified as held for sale</b>	<b>1,618</b>	<b>1,636</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2020

## Note 6. Assets we manage (continued)

## 6.2. Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2020
<b>\$ '000</b>									
Property	589,707	16,684	57,800	-	(6,419)	(395)	-	23,933	681,310
Plant and equipment	3,948	2,162	-	-	(1,290)	(529)	-	-	4,291
Infrastructure	1,661,276	19,143	153,266	(7,200)	(31,277)	(9,867)	-	16,206	1,801,547
Work in progress	48,832	19,931	-	-	-	-	(4,808)	(41,533)	22,422
<b>Total</b>	<b>2,303,763</b>	<b>57,920</b>	<b>211,066</b>	<b>(7,200)</b>	<b>(38,986)</b>	<b>(10,790)</b>	<b>(4,808)</b>	<b>(1,394)</b>	<b>2,509,570</b>

Summary of Work in Progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
<b>\$ '000</b>					
Property	14,036	8,607	(602)	(21,000)	1,041
Infrastructure	34,796	11,324	(4,206)	(20,533)	21,381
<b>Total</b>	<b>48,832</b>	<b>19,931</b>	<b>(4,808)</b>	<b>(41,533)</b>	<b>22,422</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

## Note 6. Assets we manage (continued)

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

Property	Land - specialised	Land - non specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
<b>\$ '000</b>									
At fair value 1 July 2019	300,885	91,940	51,883	444,718	225,077	19,815	244,892	14,036	703,646
Accumulated depreciation at 1 July 2019	-	-	-	-	(89,016)	(10,887)	(99,903)	-	(99,903)
	300,885	91,940	51,883	444,718	136,061	8,928	144,989	14,036	603,743
<b>Movements in fair value</b>									
Additions	-	-	-	-	6,230	10,453	16,684	8,607	25,291
Contributions	23,438	-	34,362	57,800	-	-	-	-	57,800
Disposal	-	-	-	-	(1,076)	(64)	(1,140)	-	(1,140)
Write-off	-	-	-	-	-	-	-	(602)	(602)
Transfers	-	(1,394)	-	(1,394)	24,862	465	25,327	(21,000)	2,933
	23,438	(1,394)	34,362	56,406	30,016	10,854	40,871	(12,995)	84,282
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	-	-	-	-	(5,824)	(595)	(6,419)	-	(6,419)
Accumulated depreciation of disposals	-	-	-	-	691	54	745	-	745
	-	-	-	-	(5,133)	(541)	(5,674)	-	(5,674)
At fair value 30 June 2020	324,323	90,546	86,256	501,125	255,083	30,669	285,762	1,041	787,928
Accumulated depreciation at 30 June 2020	-	-	-	-	(94,149)	(11,428)	(105,577)	-	(105,577)
	324,323	90,546	86,256	501,125	160,944	19,241	180,185	1,041	682,351



## Notes to the Financial Statements

For the year ended 30 June 2020

Note 6. Assets we manage (continued)

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

Plant and Equipment	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecommunications	Library books	Total plant and equipment
<b>\$ '000</b>					
At fair value 1 July 2019	5,348	804	6,256	1,629	14,037
Accumulated depreciation at 1 July 2019	(3,036)	(705)	(5,754)	(594)	(10,089)
	2,312	99	502	1,035	3,948
<b>Movements in fair value</b>					
Additions	981	-	694	478	2,162
Disposal	(940)	(4)	-	(432)	(1,376)
	51	(4)	694	46	787
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(832)	(49)	(229)	(180)	(1,290)
Accumulated depreciation of disposals	777	-	-	70	847
	(55)	(49)	(229)	(110)	(443)
At fair value 30 June 2020	5,389	800	6,950	1,675	14,823
Accumulated depreciation at 30 June 2020	(3,091)	(754)	(5,983)	(704)	(10,532)
	2,308	46	967	971	4,291

## Notes to the Financial Statements

For the year ended 30 June 2020

Note 6. Assets we manage (continued)  
6.2. Property, infrastructure, plant and equipment (continued)

Infrastructure	Roads	Bridges	Footpaths	Drainage	Recreation	Car parks	Kerb and channel	Traffic management	Other infrastructure	Work in Progress	Total Infrastructure
<b>\$ '000</b>											
At fair value 1 July 2019	881,277	87,145	168,356	420,653	70,715	27,640	241,290	89,601	2,874	34,796	2,024,347
Accumulated depreciation at 1 July 2019	(128,582)	(15,412)	(12,572)	(64,107)	(27,271)	(5,155)	(53,767)	(19,848)	(1,561)	-	(328,275)
	752,695	71,733	155,784	356,546	43,444	22,485	187,523	69,753	1,313	34,796	1,696,072
<b>Movements in fair value</b>											
Additions	3,442	44	4,191	1,490	6,374	2,359	406	836	-	11,324	30,467
Contributions	57,064	300	16,433	56,658	716	2,967	13,550	5,578	-	-	153,266
Revaluation	(7,751)	(12)	(464)	(253)	2,578	(8)	(278)	(1)	-	-	23,011
Disposal	-	-	-	-	(6,499)	(6)	-	(1)	-	(4,206)	(15,206)
Write-off	5,754	76	-	117	10,259	-	-	-	-	(20,533)	(4,327)
Transfers	56,510	407	40,593	58,012	13,428	5,318	13,677	6,413	-	(13,415)	182,944
	(10,280)	(1,256)	(3,513)	(4,674)	(3,521)	(457)	(4,092)	(3,393)	(91)	-	(31,277)
Depreciation and amortisation	1,496	5	253	39	3,567	7	32	-	-	-	5,400
Accumulated depreciation of disposals	-	-	(30,091)	-	(120)	-	-	-	-	-	(30,211)
Revaluation	(6,784)	(1,251)	(33,351)	(4,635)	(74)	(450)	(4,060)	(3,393)	(91)	-	(56,088)
At fair value 30 June 2020	839,787	87,553	208,948	478,665	84,143	32,958	254,967	96,014	2,874	21,380	2,207,269
Accumulated depreciation at 30 June 2020	(137,364)	(16,663)	(45,923)	(66,742)	(27,345)	(5,605)	(57,827)	(23,241)	(1,652)	-	(384,362)
	802,423	70,890	163,025	409,923	56,798	27,353	197,140	72,773	1,222	21,380	1,822,927

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 6. Assets we manage (continued)

\$ '000

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

##### Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

	<b>Depreciation Period years</b>	<b>Threshold Limit \$ '000</b>
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
Land	N/A	Nil
Land under roads	N/A	Nil
Buildings		
Buildings	50	Nil
Plant and Equipment		
Plant and machinery	5	5
Furniture and equipment	3 - 5	5
Library assets	10	Nil
Infrastructure		
Roads	10 - 100	10
Footpaths	10 - 70	10
Kerb and channel	10 - 70	10
Car parks	10 - 70	10
Traffic management	10 - 70	10
Bridges	25 - 100	25
Drainage works	80 - 100	25
Recreation facilities	3 - 30	1
Other	20 - 100	Nil

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## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 6. Assets we manage (continued)

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\$ '000

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

##### *Land under roads*

Council recognises land under roads it controls at fair value.

##### *Depreciation and amortisation*

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

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

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

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

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

##### *Repairs and maintenance*

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

##### *Valuation of land and buildings*

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

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

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 6. Assets we manage (continued)

\$ '000

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of valuation
Non-specialised Land	-	90,546	-	30/06/19
Specialised land	-	-	324,323	30/06/19
Land Under Roads	-	-	86,256	30/06/19
Buildings	-	-	180,185	1/07/18
<b>Total</b>	<b>-</b>	<b>90,546</b>	<b>590,764</b>	

#### Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Infrastructure Management Group and Ray Hutchinson & Associates.

Only the Playgrounds and Play Equipment component of Recreational, leisure and community facilities class of assets was revalued as at 30 June 2020.

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 2020 are as follows:

	Level 1	Level 2	Level 3	Date of valuation
Roads	-	-	802,423	30/06/19
Bridges	-	-	70,890	30/06/19
Footpaths and cycleways	-	-	163,025	30/06/20
Drainage	-	-	409,923	30/06/16
Recreational, leisure and community facilities	-	-	56,798	30/06/20
Off street car parks	-	-	27,353	30/06/19
Kerb and channel	-	-	197,140	30/06/19
Traffic management	-	-	72,773	30/06/17
Other infrastructure	-	-	1,222	30/06/14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,801,547</b>	

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 6. Assets we manage (continued)

\$ '000

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

##### **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 20 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

\$ '000	2020	2019
Balance at beginning of financial year	7,300	7,077
Additions	103	-
Fair value adjustments	(228)	223
<b>Balance at end of financial year</b>	<b>7,175</b>	<b>7,300</b>

#### 6.3. Investment property

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

##### **Valuation of investment property**

Valuation of investment property has been determined in accordance with an independent valuation by Opteon Pty Ltd 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 taking into consideration the impact on the market of COVID-19 and the surrounding uncertainty. The market that the assets are transacted in is being impacted by a high degree of uncertainty caused by the COVID-19 pandemic. The extent to which Covid-19 has impacted fair value measurements is not available and market conditions are changing daily at present. As at the date of valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty.



## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 6. Assets we manage (continued)

\$ '000	2020	2019
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#### 6.3. Investment property (continued)

##### Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Opteon Pty Ltd 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 taking into consideration the impact on the market of COVID-19 and the surrounding uncertainty. The market that the assets are transacted in is being impacted by a high degree of uncertainty caused by the COVID-19 pandemic. The extent to which Covid-19 has impacted fair value measurements is not available and market conditions are changing daily at present. As at the date of valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty.

### Note 7. People and relationships

#### 7.1. Council and key management remuneration

##### (a) Related Parties

###### Parent entity

Melton City Council is the parent entity.

###### Subsidiaries and Associates

Council has no interests in subsidiaries or associates.

##### (b) Key Management Personnel

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

<b>Councillors</b>	Councillor Lara Carli (Mayor from 1 November 2019)		
	Councillor Bob Turner (Mayor to 31 October 2019)		
	Councillor Steve Abboushi		
	Councillor Ken Hardy		
	Councillor Goran Kesic		
	Councillor Kathy Majdlik		
	Councillor Michelle Mendes		
	Councillor Sophie Ramsey		
	Councillor Yvonne Sebire		
		<b>No.</b>	<b>No.</b>
<b>Total Number of Councillors</b>		9	10
<b>Chief Executive Officer</b>	Kelvin Tori	1	1
<b>General Manager - Corporate Services</b>	Peter Bean	1	1
<b>General Manager - Community Services</b>	Maurie Heaney	1	1
<b>General Manager - Planning &amp; Development</b>	Luke Shannon	1	1
<b>Executive Manager - Property &amp; Projects</b>	Laura-Jo Mellan	1	-
<b>Total Number of Key Management Personnel</b>		<b>14</b>	<b>14</b>

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 7. People and relationships (continued)

\$ '000	2020	2019
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#### 7.1. Council and key management remuneration (continued)

##### (c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	1,573	1,524
Long-term benefits	33	27
Post employment benefits	113	107
<b>Total</b>	<b>1,719</b>	<b>1,658</b>

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

	No.	No.
\$1 - \$9,999	-	1
\$30,000 - \$39,999	7	8
\$50,000 - \$59,999	2	-
\$90,000 - \$99,999	1	-
\$110,000 - \$119,999	-	1
\$270,000 - \$279,999	-	3
\$280,000 - \$289,999	3	-
\$390,000 - \$399,999	-	1
\$400,000 - \$409,999	1	-
	<b>14</b>	<b>14</b>

##### (d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

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

Income Range:	No.	No.
Less than \$151,000	3	2
\$160,000 - \$169,999	-	3
\$170,000 - \$179,999	6	7
\$180,000 - \$189,999	6	4
\$190,000 - \$199,999	3	2
	<b>18</b>	<b>18</b>

Total Remuneration for the reporting year for Senior Officers included above amounted to:	<b>\$ '000</b>	<b>\$ '000</b>
	3,095	3,048

## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 7. People and relationships (continued)

\$ '000	2020	2019
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#### 7.2. Related party disclosure

##### (a) Transactions with related parties

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

Salaries paid to close family members of Key Management Personnel	233	223
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##### (b) Outstanding balances with related parties

There are no outstanding balances with related parties as at 30 June 2020 (2019: Nil).

##### (c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to Key Management Personnel of the Council during the reporting period (2019: Nil).

##### (d) Commitments to/from related parties

There are no commitments to or from related parties as at 30 June 2020 (2019: Nil).

### Note 8. Managing uncertainties

#### 8.1. Contingent assets and liabilities

##### (a) Contingent assets

Developer contributions to be received in respect of estates currently under development is expected to be in the range of \$140m to \$160m (2019: \$90m to \$100m).

##### *Operating lease receivables*

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold buildings. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 5 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	1,035	276
Later than one year and not later than five years	3,301	769
Later than five years	-	-
	<u>4,336</u>	<u>1,045</u>

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## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 8. Managing uncertainties (continued)

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\$ '000

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#### 8.1. Contingent assets and liabilities (continued)

##### (b) Contingent liabilities

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

##### Superannuation

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

##### *Future superannuation contributions*

There were no contributions outstanding and no loans issued from or to the above scheme as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$191,000.

##### Legal matters

Proceedings were brought against the Council in the Supreme Court of Victoria in relation to land acquired by Council in the Taylors Hill West Precinct, which was disclosed in the 2018/19 financial report. An appeal to the outcome of these proceedings has recently concluded and Council has raised a provision for the award to the plaintiff and the expected amount of costs.

##### Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

##### MAV WorkCare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare Scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 8. Managing uncertainties (continued)

\$ '000

#### 8.2. Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

##### **AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)**

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

##### **AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)**

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

##### **AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)**

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 8. Managing uncertainties (continued)

\$ '000

#### 8.3. 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 Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

##### (b) Market risk

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

##### *Interest rate risk*

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk / 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 rates.

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

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

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

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



## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 8. Managing uncertainties (continued)

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\$ '000

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#### 8.3. Financial instruments (continued)

##### (c) Credit risk

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

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

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

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

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

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

##### (d) Liquidity risk

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

To help reduce these risks Council:

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

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

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## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 8. Managing uncertainties (continued)

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\$ '000

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#### 8.3. Financial instruments (continued)

##### (d) Liquidity risk (continued)

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

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

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

##### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5 % and - 0.5 % in market interest rates (AUD) from year-end rates of 0.6%.

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

#### 8.4. Fair value measurement

##### *Fair value hierarchy*

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

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

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

## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 8. Managing uncertainties (continued)

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\$ '000

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#### 8.4. Fair value measurement (continued)

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

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

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

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

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

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

#### *Revaluation*

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

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

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 8. Managing uncertainties (continued)

\$ '000

#### 8.4. Fair value measurement (continued)

##### *Impairment of assets*

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

#### 8.5. Events occurring after balance date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the City of Melton at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the City of Melton, its operations, its future results and financial position.

The Victorian Government announced a State of Disaster on the 2 August 2020 and "Stage 4" restrictions were applied to Metro Melbourne, which includes the City of Melton.

This event does not affect amounts recognised in the 2019-20 financial statements.

The introduction of "Stage 4" restrictions has had further implications for Council services and facilities beyond those already affected by the previous "Stage 3" restrictions. Several of Council's services have now been or continued to be closed, including Council's leisure centre facilities, libraries and community centres.

Council's 2020-21 Adopted Budget includes estimated impacts on revenue and expenditure streams under "Stage 3" restrictions for the first quarter of 2020-21. An estimated \$2.7 million reduction in revenue is expected primarily in User Fees and Statutory Fees and Charges, and corresponding cost decrease of an estimated \$0.5m associated with the temporary closure of Council's leisure facilities.

Council continues to monitor and review the financial impacts of COVID-19 on its operating budget.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the City of Melton, the results of the operations or the state of affairs of the City of Melton in future financial years.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 9. Other matters

\$ '000	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of the asset class by an associate	Balance at end of reporting period
<b>9.1. Reserves</b>				
<b>(a) Asset revaluation reserves</b>				
<b>2020</b>				
<b>Property</b>				
Land - non specialised	226,355	-	-	226,355
Buildings	7,789	-	-	7,789
	<b>234,144</b>	<b>-</b>	<b>-</b>	<b>234,144</b>
<b>Infrastructure</b>				
Roads	528,065	(9,658)	-	518,407
Bridges	51,858	-	-	51,858
Drainage	123,430	-	-	123,430
Recreational, leisure and community facilities	913	2,458	-	3,371
Other infrastructure	679	-	-	679
	<b>704,945</b>	<b>(7,200)</b>	<b>-</b>	<b>697,745</b>
<b>Total asset revaluation reserves</b>	<b>939,089</b>	<b>(7,200)</b>	<b>-</b>	<b>931,889</b>
<b>2019</b>				
<b>Property</b>				
Land - non specialised	226,355	-	-	226,355
Buildings	58	7,731	-	7,789
	<b>226,413</b>	<b>7,731</b>	<b>-</b>	<b>234,144</b>
<b>Infrastructure</b>				
Roads	448,750	79,315	-	528,065
Bridges	5,023	46,835	-	51,858
Drainage	123,430	-	-	123,430
Recreational, leisure and community facilities	913	-	-	913
Other infrastructure	679	-	-	679
	<b>578,795</b>	<b>126,150</b>	<b>-</b>	<b>704,945</b>
<b>Total asset revaluation reserves</b>	<b>805,208</b>	<b>133,881</b>	<b>-</b>	<b>939,089</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

## Notes to the Financial Statements

For the year ended 30 June 2020

## Note 9. Other matters (continued)

\$ '000	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
9.1. Reserves (continued)				
(b) Other reserves				
2020				
<b>Restricted reserves</b>				
Street trees/drainage	924	18	-	942
Community infrastructure	77,713	90,460	(31,569)	136,604
<b>Total restricted reserves</b>	<b>78,637</b>	<b>90,478</b>	<b>(31,569)</b>	<b>137,546</b>
<b>Discretionary reserves</b>				
Asset replacement	3,691	65	(1,000)	2,756
Perpetual maintenance	129	2	-	131
Public art	169	3	(68)	104
Defined benefit call	365	7	-	372
Accommodation reserve	7,858	-	(974)	6,884
Infrastructure and strategic investment	65,671	25,111	(4,902)	85,880
<b>Total discretionary reserves</b>	<b>77,883</b>	<b>25,188</b>	<b>(6,944)</b>	<b>96,127</b>
<b>Total Other reserves</b>	<b>156,520</b>	<b>115,666</b>	<b>(38,513)</b>	<b>233,673</b>
2019				
<b>Restricted reserves</b>				
Street trees/drainage	899	25	-	924
Community infrastructure	73,182	46,653	(42,122)	77,713
<b>Total restricted reserves</b>	<b>74,081</b>	<b>46,678</b>	<b>(42,122)</b>	<b>78,637</b>
<b>Discretionary reserves</b>				
Asset replacement	735	5,334	(2,378)	3,691
Perpetual maintenance	126	3	-	129
Public art	210	11	(52)	169
Defined benefit call	358	7	-	365
Accommodation reserve	7,790	161	(93)	7,858
Atherstone investment	-	65,671	-	65,671
<b>Total discretionary reserves</b>	<b>9,219</b>	<b>71,187</b>	<b>(2,523)</b>	<b>77,883</b>
<b>Total Other reserves</b>	<b>83,300</b>	<b>117,865</b>	<b>(44,645)</b>	<b>156,520</b>

**Street trees/drainage**

Developer contributions for provision of drainage assets and street beautification.

**Community infrastructure**

Developer contributions collected to deliver community infrastructure within PSP and non-PSP areas in accordance with the Planning and Environment Act and section 173 agreements.

**Asset replacement**

Provision of ongoing replacement of plant and equipment for Council operations.

**Perpetual maintenance**

Provision for perpetual maintenance of Melton Cemetery.



## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 9. Other matters (continued)

\$ '000	Notes	2020	2019
9.1. Reserves (continued)			
(b) Other reserves (continued)			
<b>Public art</b>			
<i>Provision for installation and maintenance of public art throughout the municipality.</i>			
<b>Defined benefit call</b>			
<i>Provision for potential future funding call under the Defined Benefits Superannuation scheme.</i>			
<b>Accommodation reserve</b>			
<i>Provision for update of staff accommodation.</i>			
<b>Infrastructure and strategic investment (Previously Atherstone Investment)</b>			
<i>Income generated from Atherstone estate set aside for Strategic Investment .</i>			
9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)			
Surplus/(deficit) for the year		268,910	216,194
Depreciation/amortisation		39,443	33,908
Profit/(loss) on disposal of property, infrastructure, plant and equipment		11,114	2,405
Fair value adjustments for investment property		228	(223)
Contributions - Non-monetary assets		(211,066)	(186,159)
Share of net profits of associates and joint ventures		-	62
Operating amounts disclosed in financing activities		642	839
Adjustment for prior year income under AASB1058		(4,215)	-
<b>Change in assets and liabilities:</b>			
(Increase)/decrease in trade and other receivables		(16,262)	4,996
(Increase)/decrease in inventories		52	32
(Increase)/decrease in prepayments		(45)	-
Increase/(decrease) in accrued income		16,222	18,328
Increase/(decrease) in trade and other payables		10,025	5,360
Increase/(decrease) in provisions		1,250	480
(Decrease)/increase in other liabilities		10,423	1,308
<b>Net cash provided by/(used in) operating activities</b>		<b>126,721</b>	<b>97,530</b>

### 9.3. Superannuation

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

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 9. Other matters (continued)

\$ '000

#### 9.3. Superannuation (continued)

##### **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 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

##### **Defined Benefit**

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

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

##### **Funding Arrangements**

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

## Notes to the Financial Statements

For the year ended 30 June 2020

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### Note 9. Other matters (continued)

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\$ '000

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#### 9.3. Superannuation (continued)

##### **Employer contributions**

###### *Regular contributions*

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

###### *Funding calls*

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 60 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 Council) are required to make an employer contribution to cover the shortfall.

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

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

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

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

##### **The 2019 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Melton City Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 9. Other matters (continued)

\$ '000

#### 9.3. Superannuation (continued)

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

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

#### The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial Investigation	2017 Triennial Investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa <i>for first two years and 2.75% thereafter</i>	3.5% pa
Price inflation	2.0% pa	2.5% pa

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

\$ '000	Scheme	Type of Scheme	Rate	Actual 2020	Actual 2019
	Vision Super	Defined benefits	9.5%	163	156
	Vision Super	Accumulation fund	9.5%	2,262	2,220

In addition to the above contributions, Council has paid no unfunded liability payments to Vision Super during the 2019/20 year (2018/19 nil).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$191,000.

## Notes to the Financial Statements

For the year ended 30 June 2020

### Note 10. Changes in accounting policies

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

*(a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption*

*AASB 15 Revenue from Contracts with Customers* applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

*AASB 15 Revenue from Contracts with Customers* requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

*(b) AASB 16 Leases*

*AASB 16 Leases* requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures.

*(c) AASB 1058 Income of Not-for-Profit Entities*

*AASB 1058 Income of Not-for-Profit Entities* applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

*AASB 1058 Income of Not-for-Profit Entities* requires income to be recognised as Council satisfies the performance obligations under the contract.

*(d) Transition impacts*

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019
	\$ '000
<b>Retained earnings at 30 June 2019</b>	1,397,244
Income Adjustment - impact of <i>AASB 1058 Income of Not-for-Profit Entities</i>	(4,215)
<b>Retained earnings at 1 July 2019</b>	<b>1,393,029</b>

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of *AASB 16 Leases*.



## Glossary of Financial Terms

### 1. Accounts receivable (AR)

Accounts receivable (AR) definition: The amount of money owed by customers or clients to a business after goods or services have been delivered and/or used.

### 2. Accounting (ACCG)

Accounting (ACCG) definition: A systematic way of recording and reporting financial transactions for a business or organization.

### 3. Accounts payable (AP)

Accounts payable (AP) definition: The amount of money a company owes creditors (suppliers, etc.) in return for goods and/or services they have delivered.

### 4. Assets (fixed and current) (FA, CA)

Assets (fixed and current) definition: Current assets (CA) are those that will be converted to cash within one year. Typically, this could be cash, inventory or accounts receivable. **Fixed assets (FA)** are long-term and will likely provide benefits to a company for more than one year, such as a real estate, land or major machinery.

### 5. Asset classes

Asset class definition: An asset class is a group of securities that behaves similarly in the marketplace. The three main asset classes are equities or stocks, fixed income or bonds, and cash equivalents or money market instruments.

### 6. Balance sheet (BS)

Balance sheet (BS) definition: A financial report that summarizes a company's assets (what it owns), liabilities (what it owes) and owner or shareholder equity at a given time.

### 7. Capital (CAP)

Capital (CAP) definition: A financial asset or the value of a financial asset, such as cash or goods. Working capital is

calculated by taking your current assets subtracted from current liabilities—basically the money or assets an organization can put to work.

### 8. Cash flow (CF)

Cash flow (CF) definition: The revenue or expense expected to be generated through business activities (sales, manufacturing, etc.) over a period of time.

### 9. Certified public accountant (CPA)

Certified public accountant (CPA) definition: A designation given to an accountant who has passed a standardized CPA exam and met government-mandated work experience and educational requirements to become a CPA.

### 10. Cost of goods sold (COGS)

Cost of goods sold (COGS) definition: The direct expenses related to producing the goods sold by a business. The formula for calculating this will depend on what is being produced, but as an example this may include the cost of the raw materials (parts) and the amount of employee labour used in production.

### 11. Credit (CR)

Credit (CR) definition: An accounting entry that may either decrease assets or increase liabilities and equity on the company's balance sheet, depending on the transaction. When using the double-entry accounting method there will be two recorded entries for every transaction: A credit and a debit.

### 12. Debit (DR)

Debit (DR) definition: An accounting entry where there is either an increase in assets or a decrease in liabilities on a company's balance sheet.

### 13. Diversification

Diversification definition: The process of allocating or spreading capital investments into varied assets to avoid over-exposure to risk.

### 14. Enrolled agent (EA)

Enrolled agent (EA) definition: A tax professional who represents taxpayers in matters where they are dealing with the Internal Revenue Service (IRS).

### 15. Expenses (fixed, variable, accrued, operation) (FE, VE, AE, OE)

Expenses (FE, VE, AE, OE) definition: The fixed, variable, accrued or day-to-day costs that a business may incur through its operations.

- **Fixed expenses (FE):** payments like rent that will happen in a regularly scheduled cadence.
- **Variable expenses (VE):** expenses, like labour costs, that may change in a given time period.
- **Accrued expense (AE):** an incurred expense that hasn't been paid yet.
- **Operation expenses (OE):** business expenditures not directly associated with the production of goods or services—for example, advertising costs, property taxes or insurance expenditures.

### 16. Equity and owner's equity (OE)

Equity and owner's equity (OE) definition: In the most general sense, equity is assets minus liabilities. An owner's equity is typically explained in terms of the percentage of stock a person has ownership interest in the company. The owners of the stock are known as shareholders.



**17. Insolvency**

Insolvency definition: A state where an individual or organization can no longer meet financial obligations with lender(s) when their debts come due.

**18. Generally accepted accounting principles (GAAP)**

Generally accepted accounting principles (GAAP) definition: A set of rules and guidelines developed by the accounting industry for companies to follow when reporting financial data. Following these rules is especially critical for all publicly traded companies.

**19. General ledger (GL)**

General ledger (GL) definition: A complete record of the financial transactions over the life of a company.

**20. Trial balance**

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

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

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

**22. Limited Liability Company (LLC)**

Limited Liability Company (LLC) definition: An LLC is a corporate structure where members cannot be held accountable for the company's debts or

liabilities. This can shield business owners from losing their entire life savings if, for example, someone were to sue the company.

**23. Net income (NI)**

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

**24. Present value (PV)**

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

**25. Profit and loss statement (P&L)**

Profit and loss statement (P&L) definition: A financial statement that is used to summarize a company's performance and financial position by reviewing revenues, costs and expenses during a specific period of time, such as quarterly or annually.

**26. Return on investment (ROI)**

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

**27. Individual retirement account (IRA, Roth IRA Individual retirement account (IRA))**

definition: IRAs are savings vehicles for retirement. A traditional IRA allows individuals to direct pre-tax dollars toward investments that can grow tax-deferred, meaning no capital gains or dividend income is taxed until it is withdrawn, and, in most cases, it's tax

deductible. Roth IRAs are not tax-deductible; however, eligible distributions are tax-free, so as the money grows, it is not subject to taxes upon with-drawals.

**28. 401K & Roth 401K**

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

**29. Subchapter S Corporation (S-CORP)**

Subchapter S Corporation (S-CORP) definition: A form of corporation (that meets specific IRS requirements) and has the benefit of being taxed as a partnership versus being subject to the "double taxation" of dividends with public companies.

**30. Bonds and coupons (B&C)**

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





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232 High Street,  
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**Melton Library and Learning Hub**  
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**Caroline Springs Library and Learning Hub**  
193 Caroline Springs Boulevard  
Caroline Springs  
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