

MELTON CITY COUNCIL

Annual Report

2012
2013

A Proud Community Growing Together



A copy of this Annual Report is available from our website.

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About this Report

This Annual Report documents Melton City Council's performance over the 2012/2013 financial year. It meets our obligations under Section 131 of the Local Government Act 1989 (Vic) and provides information on performance against the 2012/2013 Annual Plan and Budget.



Mayor's Message



Cr Kathy Majdlik
Mayor of Melton City Council

Welcome. It's a pleasure to present the City of Melton Annual Report 2012/2013.

The past financial year has been remarkable for our great municipality as we were awarded City status by the State Government in September 2012, in acknowledgement of our fast growth.

Also, the local government elections in October 2012 resulted in a newly elected Council who collaboratively discussed and decided on the Council Plan for 2013-2017. This key strategic document articulates Council's vision for the community and outlines the priorities and key projects that address the growth challenges and opportunities we face in delivering services and infrastructure to our dynamic community over the next four years.

The 2012/2013 Annual Report before you brings together who we are, what we do, what we promised and how we performed.

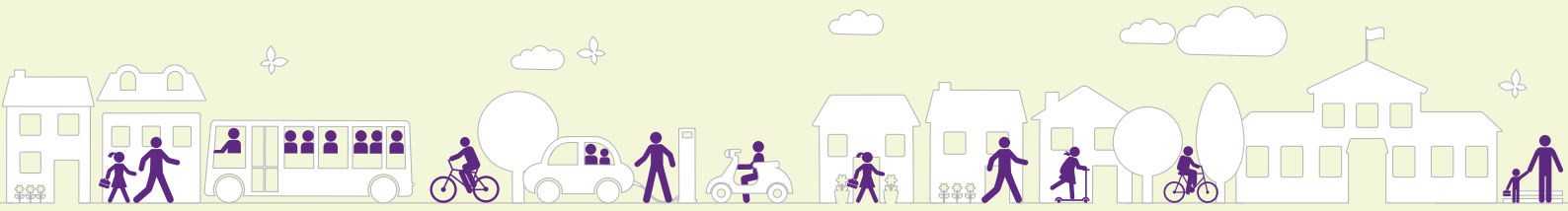
The Introduction tells you who we are. It gives more information on the City of Melton, our location, our history and our community. This section also highlights our vision, values, our mission and gives details about the Councillors and the organisation.

The chapters on the Function of Council tell you what we do. They list information on corporate governance, Council, the audit committee, memberships, national competition policy compliance and community engagement.

The third section tells you how we performed. We present to you an overview of highlights, report of operations and a financial overview and also provide information on the Domestic Animal Plan and Community Grants Program. We also report against the Council Action Plan 2012/2013 and the Victorian Local Government Indicators.

The final section of this 2012/2013 Annual Report lists the 2012/2013 Annual Financial Statements, Standard Statements and Performance Statement.

Chief Executive Officer's Report



Kelvin Tori
Chief Executive Officer

In the 2012/2013 financial year our growth slowed to 4.7%, which is less than previous years but still a strong figure. Our estimated population per 30 June 2013 is 122,783 and population projections indicate that our fast growth will continue, with an estimated population of 241,000 by 2031.

In recognition of this growth, our municipality was awarded City status in September 2012.

Melton City Council continues to advocate strongly to both State and Federal Government, including as a member of the National Growth Areas Alliance (NGAA), Interface Councils and LeadWest, to assist in the needs of our fast growing community and provide adequate rail and road transport, health facilities, better access to jobs and services and more community and recreational facilities.

Council's joint venture with Lend Lease in the Atherstone development is continuing and works have progressed in 2012/2013 with the completion of the construction of Bridge Road and planning for the Bridge Road bridge advanced. It is very encouraging to see that the first residents have moved into Atherstone.

This financial year also saw pre-planning work commencing for three new Precinct Structure Plans: Rockbank, Plumpton and Kororoit.

The Rockbank PSP covers approximately 760 hectares and is proposed to include a new major town centre at the train station, a new train stabling yard and major road upgrades. The Plumpton PSP covers around 760 hectares and is proposed to include an employment area, a centrally located new major town centre and major road upgrades. The Kororoit PSP covers around 600 hectares and is proposed to include a new regional park, a new district sporting ground, protection of biodiversity, creation of two conservation reserves and road upgrades.

Council welcomed the announcement from the Australian Government of \$14.6 million funding through the Suburban Jobs Program towards the establishment

of an innovative business accelerator and centre for excellence (Western BACE) in the Toolern growth area. This was one of only three projects funded nationally and is a major catalyst for employment growth. The \$21 million Western BACE will provide space and support for new and developing businesses, giving them opportunities to expand and develop skills that will ultimately create business growth and further employment options for local residents.

After years of planning, designing and building, Council was very proud to officially open the Melton Library and Learning Hub, showcasing this amazing building and its services to many curious residents and library users and marking a new era for library and learning services in Melton. Council also received official certification from the Green Building Council of Australia listing the Melton Library and Learning Hub as a Five Star Green Star building, which recognises the building's focus on sustainable design and energy efficiency.

The past 12 months have been a year of continued growth and consolidation within the organisation and I would like to thank Executive, Managers and all staff for their exceptional work and contribution to creating the base from which the City of Melton can continue to grow.

I would also like to show my appreciation to the Mayor and Councillors for their tireless work in effectively representing their community, and for their support of myself and staff in our endeavours.

Introduction

City of Melton



Snapshot

- location 19 km west of Melbourne CBD
- estimated annual growth rate 4.7%
- population 122,783 (as at 30 June 2013)
- ratepayers 47,045 (as at 30 June 2013)
- area 528km²
- annual Budget \$209,431 million (income) including non cash revenue of \$77,861 million
- staff 546 (as at 30 June 2013)

Our Location

The City of Melton is within a comfortable commuting distance from Melbourne and links to Melbourne's key freeways, airports and the Port of Melbourne.

The municipality embraces a series of townships and communities, the larger activity centres being in Caroline Springs and Melton Township. Caroline Springs is just 19 kilometres west of Melbourne's CBD and Melton Township is 35 kilometres west of the CBD and 15 minutes west of the Western Ring Road.

Other communities are Atherstone, Brookfield, Burnside, Burnside Heights, Diggers Rest, Exford, Eynesbury, Hillside, Kurunjang, Melton South, Melton West, Mount Cottrell, Parwan, Plumpton, Ravenhall, Rockbank, Taylors Hill, Toolern Vale, Truganina and Waterford.

Our History

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

The Wurundjeri are the earliest known inhabitants of the Western Plains of Melbourne. Aboriginal occupation of the area dates back 40,000 years. Flint tool making and cooking sites have been found along creek beds, as well as a number of scarred trees.

In 1863, the last known corroboree in the area took place near the present site of Hannah Watts Park, Melton. 'Bullum Bullum' is one of the few remaining aboriginal sacred sites in the region. The site can be found in Burnside.

The landscape around the City bears the signs of its volcanic origins. Low hills that have long-extinct volcanic origins can be seen as well as the profusion of rocks that are scattered across the sparsely-treed plains. The characteristic rounded or oval shaped volcanic stones, enabled the wallers of the past to build composite walls with materials at hand.



The 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 and some of the oldest and most interesting examples of the different styles of dry stone wall fences and structures in Victoria.

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

In 1974, Melton was declared as Melbourne's first 'satellite city'. Many new residents came to the municipality, eager to be part of this exciting new development. A major increase in population occurred through the 1980s with people settling in new suburbs.

Another major growth era started in 2000, with the creation of the Eastern Growth Corridor. Between 2001 and 2013, the estimated residential population of the municipality more than doubled.

In acknowledgement of our growth, Melton Shire Council was granted city status by the State Government in September 2012 and is now known as Melton City Council.

Our Community

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

This makes it a very desirable location to live, especially young people choose the City of Melton as a place to start a family. Each week, 34 families move to the municipality and 42 babies are born.

The median age of our residents was 31 at the 2011 Census, making the City's population one of the 'youngest' in Victoria.

In the past decade, our population growth was concentrated in the Eastern Corridor of the municipality, with forecast population growth to the year 2031 being dispersed throughout the entire City. In the coming years, growth will be concentrated in and around Melton Township, Eynesbury, and in approved Precinct Structure Plan areas of Rockbank North and Rockbank South, Diggers Rest, and Taylors Hill West.

Toolern in Melton South is the major future urban growth area within the City, which includes the Atherstone and Waterford developments. Located southeast of Melton Township on about 2,500 hectares, Toolern will ultimately have about 60,000 people living in around 20,000 households.

Our 2013 estimated population is 122,000 with an annual growth rate of 4.7%. The population in the City of Melton will continue to rapidly grow. By 2031, it is expected that the City will more than double to be in excess of 243,000 residents.

The municipality is becoming increasingly culturally diverse. The City of Melton welcomes people from around the world and is enriched by cultural and linguistic diversity. It is the place that more than 30,000 immigrants presently call home, representing more than 130 different nations.

The City of Melton's largest overseas born populations are from India, the Philippines, New Zealand, Malta and



Vietnam. In recent years, the City has welcomed an increase in people as skilled migrants, family reunion and refugees from African and Asian nations, adding further to the cultural diversity in the City of Melton.

There are about 6,800 businesses registered in the City. The largest business sector is Construction mainly due to the high number of subcontractors working in local land development fronts. The largest employment sectors in the City are Retail Trade, Education and Training, Construction and Health Care, Social Assistance, and Public Administration and Safety, which are all growth-related industries.

The continuing fast growth brings many challenges and opportunities to Melton City Council, who focuses on planning ahead for future generations.

There are challenges to provide timely services and infrastructure to our fast growing community and Council continues to advocate to the State and Federal Government to provide funding and work together in partnerships.

The City of Melton is vibrant and young, diverse in its people and landscape and offers opportunities for Council to be innovative, creative and provide strong leadership, making our municipality the benchmark in growth and development within the Australian context.





Melton City Council

Our Vision

A Proud Community Growing Together

Our Values

Continuous Improvement

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

Recognition

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

Accountability

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

Fairness

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

Teamwork

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

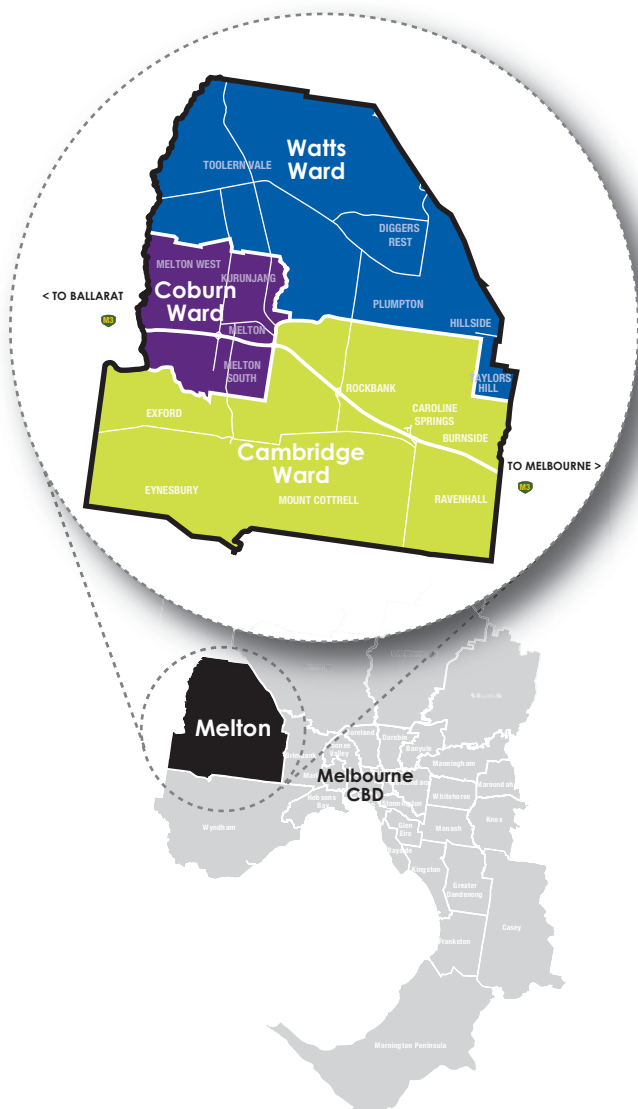
Our Mission

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

Councillors and Wards

1 July – 26 October 2012

Cr Justin Mammarella JP, Mayor, Watts Ward
 Cr Broden Borg, Deputy Mayor, Coburn Ward
 Cr Renata Cugliari, Watts Ward
 Cr Kathy Majdlik, Cambridge Ward
 Cr Sophie Ramsey, Coburn Ward
 Cr Garry Stock, Cambridge Ward
 Cr Bob Turner, Coburn Ward



Refer to page 16 for Councillor's Code of Conduct.
 Refer to page 18 for Councillor representation
 on committees.

1 November 2012 – 30 June 2013



Cr Kathy Majdlik, Mayor
Cambridge Ward

Email: kathy.majdlik@melton.vic.gov.au
 Mobile: 0412 584 058



Cr Bob Turner, Deputy Mayor
Coburn Ward

Email: bob.turner@melton.vic.gov.au
 Mobile: 0412 584 224



Cr Broden Borg
Coburn Ward

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Cr Lara Carli
Watts Ward

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Cr Renata Cugliari
Watts Ward

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Cr Nola Dunn
Cambridge Ward

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 Mobile: 0408 794 232



Cr Sophie Ramsey
Coburn Ward

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Executive Team

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

Chief Executive Officer Kelvin Tori



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

Kelvin Tori holds a Bachelor of Economics and Politics and has over 28 years experience in local government. Kelvin was the General Manager Corporate Services at Melton City Council for eight years prior to moving into the position of Chief Executive. The Chief Executive's office directly manages the Organisational Development area.

Contract period: 11/5/2011 – 16/5/2016
Remuneration: \$338,441, 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.

General Manager Community Services Maurie Heaney



Maurie Heaney has 23 years experience in Local Government. Maurie manages infrastructure provision and community service delivery for Melton City Council. His portfolio covers these areas: Community Care & Inclusion, Children's Services, Community Planning, Family, Youth & Housing, and Leisure & Facilities.

General Manager Planning and Development Luke Shannon



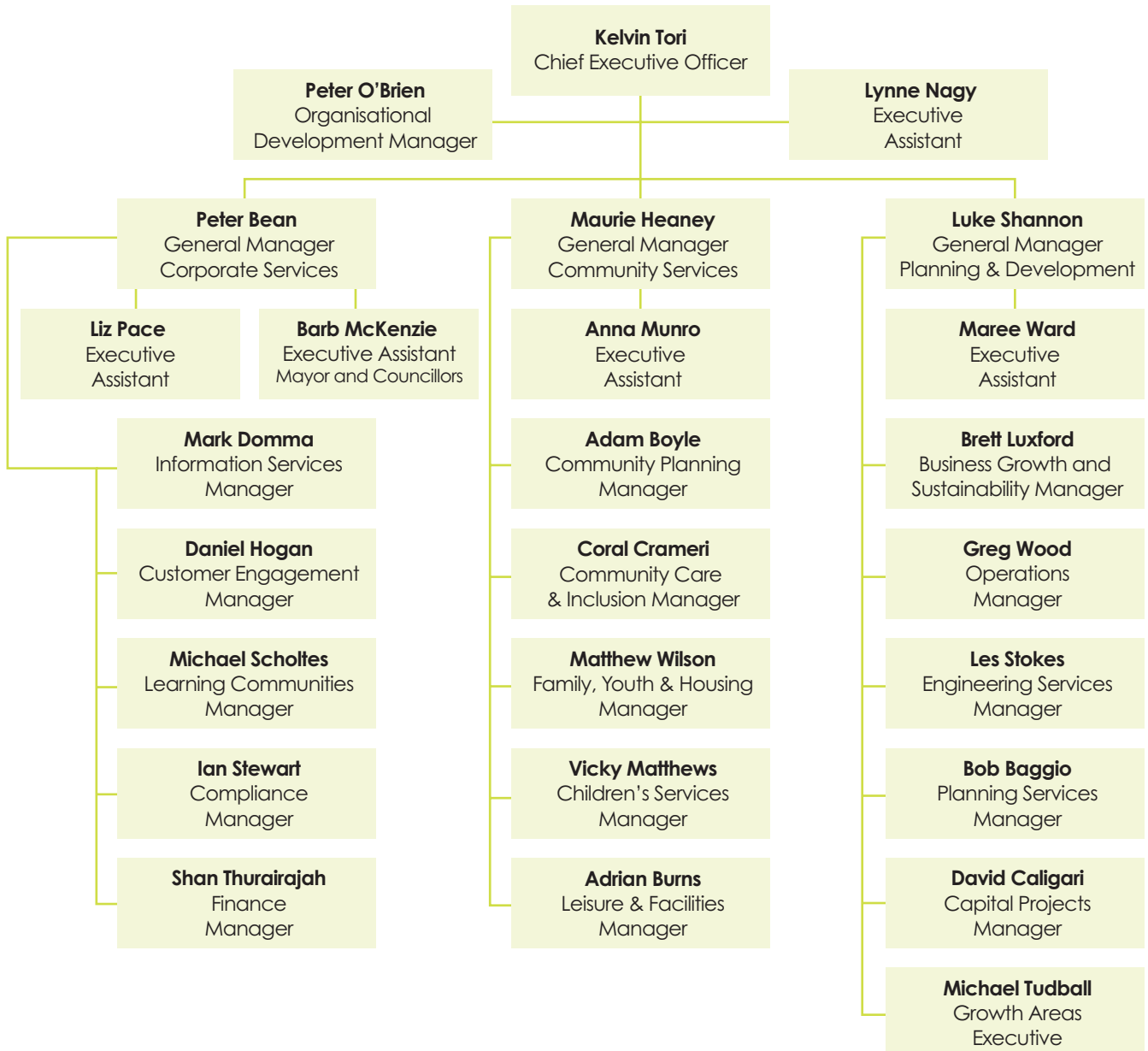
Luke Shannon holds a Bachelor of Applied Science (Environmental Planning) and a Graduate Diploma in Cultural Heritage and has worked in local government for 23 years. His portfolio covers these areas: Business Growth and Sustainability, Capital Projects, Engineering Services, Operations and Planning.

General Manager Corporate Services Peter Bean



Peter Bean holds a Bachelor of Business (Local Government), 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 twenty years. His portfolio covers these areas: Customer Engagement, Learning Communities, Finance, Compliance and Information Technology.

Organisational Structure

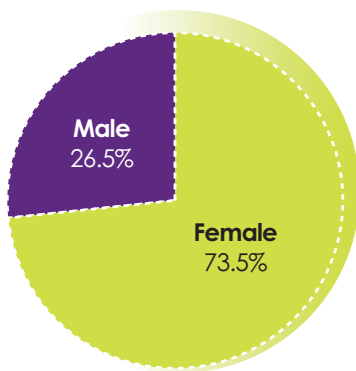




Human Resources

Equal Opportunity Requirements

Gender of staff



Directorate	Female	Male
Office of Chief Executive	11	5
Community Services	206	45
Corporate Services	139	40
Planning and Development	45	55

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

Number of staff at 30 June 2013	546
Resignations over year	53
Turnover Rate %	9.7 %

Industrial Relations

Council negotiated a three year Enterprise Agreement effective from 1 July, 2013. This agreement sets out the terms and conditions under which staff are employed. The key elements of the Agreement are:

- focus on workforce planning particularly given the ageing workforce
- training and development of staff
- improved staff engagement processes
- wellbeing initiatives focusing of work/life balance
- workplace flexibility arrangements
- greater focus on service units work improvements.

Occupational Health and Safety

The organisation has continued to do well in terms of its occupational health and safety management and performance.

- 94% conformance with the Council's OHS system, evidence by internal audit
- two new defibrillators installed, at Morton Homestead and Caroline Springs Leisure Centre
- new contractor selection and management processes adopted throughout Council
- new three year strategy developed via extensive internal consultation.

Risk Management

Our leaders have demonstrated a continuing maturity in their risk management capabilities, through:

- extensive work undertaken to include regional climate change adaptation risks into Council's Risk Register
- greater use of risk management in planning and delivery of major projects
- effective and sustainable high level reviews of the organisation's strategic risks
- better alignment of the internal audit plan to the strategic risks.

This has been an excellent year of improvement and consolidation.

- Council's leaders have worked hard with their teams to document all hazards to staff
- defibrillators have been installed in the Community Hall and Caroline Springs Civic Centre
- a highly effective audit program has been developed and delivered
- the organisation has significantly improved its emergency preparedness.

Injury Management

Council continuously endeavors to improve the way it works with ill and injured staff.

- we are seeing improvements in our WorkCover performance
- benchmarking with other Councils shows that our injury management is best practice.

Leadership Development Program

The organisation has continued to develop staff and this year the focus has been on leadership development within the management team. A grant was obtained from Workplace Training Advisory Australia (WTAA). WTAA delivered a series of the Australian Applied Management Colloquium program and this was well received.

This is further complimented with Council supporting leaders in undertaking professional development i.e. Certificate, Diploma, Degree or Master courses.

Council has also participated in the Local Government Management Association Management Challenge which is an internationally acclaimed professional and team development program that brings the best out of our present and potential leaders. In March 2013, Council had six representatives participate in the Management Challenge which is designed to deliver personal, team and organisational development.

Reward and Recognition Program

Council's Star program continues to reward and recognise staff for their achievements in two areas. The first is for their loyal service to Council and this

is recognised through 5, 10, 15, 20, 25 and 30 years services awards. The second area is recognition of outstanding performance by individuals and teams across a number of categories.

In this current year 85 staff received awards for their years of service and 8 staff were recognised for outstanding service.

Staff Survey

A staff survey was undertaken in March and the participation rate was fantastic. An action plan has been implemented to address the gaps that have been identified. More significantly however, was the positive comments received from staff on a range of themes.

Other organisational development achievements

- corporate Intranet site
- implementation of a staff performance management system
- improved payroll technologies for example E-Kiosk
- computerisation of staff human resources records
- health and well being staff initiatives
- significant improvement in the occupational health and safety performance.





Volunteers

Melton City Council is grateful for the valuable contribution made by volunteers who contributed their time, expertise and skills to assist across a variety of Council services, programs and events during 2012/2013. The table shows how they contributed.

Program Area	Number	Activities
Aged Care and Disability Programs at Melbacc	1	Assist with activities, craft, reading papers, talking, making cups of tea and chat.
Ageing Well	4	Promote healthy and active ageing across the City through exercise programs, and talks and promotions on Falls Prevention.
Art	17	Volunteers in delivering ArtBeat.
Events	90	Volunteers work at each of Council events throughout the year with services such as car parking, marshalling, information services and provision of food.
Environment	300	There are 17 Environment/Landcare/Waterwatch groups active in the City of Melton that participate in activities improving the land and waterways of the City of Melton including Clean Up Australia Day, National Tree Planting Day, Sustainable Cities Awards and regular planting, weeding, watering, seed collection and bird observing. Melton Shire Council won the 2010 Victorian Sustainable Cities Award with the help of these groups.
Food Services	3	Assist in food preparation, set up, packing and serving of meals.
Men's Shed	16	Shed Team Leaders supervise the delivery of programs and community projects at the Men's Shed. They support a safe, friendly and inclusive environment for men of all ages while promoting participation.
Neighbourhood House Program	22	Twenty volunteers who plan and run weekly playgroups. We have one volunteer offering admin support and one volunteer supporting our ballroom dancing class.
Planned Activity Groups	15	Volunteers assist with craft activities, exercise programs, making tea and coffees, morning tea, excursions and socialising with clients.
Visitor Information Centre	37	Volunteers at the Melton Visitor Information Centre assist with delivering a fully accredited and nationally recognised program of information service provision.
Volunteer Transport	11	Drive clients to medical appointments.
Home Library Services	11	Deliver books across the whole of the City of Melton to residents who otherwise would be unable to physically access the library.
Walking School Bus Program	12	Provides a safe, healthy and convenient way for children to travel to and from school. Each bus walks along a set route picking up children at designated stops along the way. The bus is supervised by volunteer parents who act as drivers and conductors.
Vision Talking Local Newspaper	4	Record and arrange for distribution, local newspapers for visually impaired residents.
Youth	43	Youth-led event programs that engage young people as volunteers include: Ignite Production, Youth magazine editorial team and skate park consultation group. The mentoring project has 16 volunteers for school based and community based one-to-one mentoring. One regular volunteer assisted with the young women's group for 2012/2013.

This report does not include volunteer members on Council committees and advisory groups.

Function Council



Council's Role

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

Melton City Council:

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

Councillor's Code of Conduct

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

In accordance with section 76C of the Local Government Act 1989 (the Act), Council reviewed the Code within 12 months of the October 2012

election, and unanimously adopted the revised Code at its Ordinary Council Meeting held on 25 June 2013.

The revised Code simplified the language and arrangement of content. The Code includes sections on courtesy, integrity, responsibility, stewardship, discretion, decision making, acceptance of gifts, conflicts of interest and functional separation. The "Register of Meetings" provision has been removed.

In carrying out their role, Councillors will:

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

In addition, in performing the role, Councillors will:

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

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



Delegations of Authority

With few exceptions, the powers granted to Melton City Council under the Local Government Act 1989 (Vic) or any other Act may be delegated to a Special Committee of Council, to the Chief Executive Officer (CEO) 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(6) of the Local Government Act 1989 (the Act), Council reviewed all delegations in force within 12 months of the October 2012 election, and authorised new delegations by Council resolution at Ordinary Council Meeting 25 June 2013.

Council Meetings

Open to the public, Ordinary Meetings of Council are typically held monthly in Council Chambers at 232 High Street, Melton. Controlled by the Mayor as Chairperson, a range of matters are considered, from local planning applications through to advocacy work targeting State and Federal Governments. For any agenda item requiring a resolution of Council, a vote amongst Councillors occurs, through which the powers of Council are discharged.

On 31 October 2012, the Local Government Legislation Amendment (Miscellaneous) Act 2012 came into effect, introducing a number of

amendments to the Local Government Act 1989, most critically the introduction of abstention as a voting option for Councillors. Consequently, Council updated its Meeting Procedure Local Law to reflect these changes, in which formalities, procedures, speaking times, conduct and order provisions are detailed. The new Meeting Procedure was publicly exhibited to receive community feedback prior to adoption.

Encouraging the participation of the community, public questions from the gallery may be asked during Council meetings, should they be received by Council prior to 5pm of the day of the scheduled meeting and asked in person. Meeting agendas are made available on the Council website, as are the subsequent minutes of any meeting, including audio recordings.

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.

In accordance with section 74(1) of the Local Government Act 1989 (the Act), Council reviewed and determined the level of the Councillor and Mayoral allowance within 6 months of the October 2012 election, confirming allowances at the special meeting of Council 1 November 2012.

The Mayor and Councillors allowances for the 2012/2013 financial year are listed below.

Allowance July - October 2012	Part A	Part B (in lieu of superannuation)	Total
Mayor	\$81,610 per annum	\$7,345 per annum	\$88,955 per annum
Councillor	\$25,549 per annum	\$2,299 per annum	\$27,848 per annum
Allowance November 2012 – June 2013	Part A	Part B (in lieu of superannuation)	Total
Mayor	\$85,741 per annum	\$7,716 per annum	\$93,457 per annum
Councillor	\$26,843 per annum	\$2,416 per annum	\$29,259 per annum

Community Committees Representation

Name of Committee	Councillor Representative
Audit Committee	Cr Majdlik, Cr Ramsey (Substitute)
Cultural and Linguistically Diverse Advisory Committee	Cr Turner
Calder Highway Improvement Committee	Cr Majdlik
Caroline Springs Leisure Centre Users Forum	Cr Majdlik, Cr Cugliari, Cr Dunn
CEO Review Special Committee	Cr Majdlik, Cr Turner, Cr Ramsey
Collingwood/City of Melton Community Benefit Program	Cr Cugliari
Community Grants Assessment Panel	Cr Majdlik, Cr Turner, Cr Ramsey
Community Learning Board	Cr Ramsey
Disability Advisory Committee	Cr Majdlik, Cr Ramsey
Djerriwarrh Festival Advisory Committee	Cr Ramsey
Domestic Animal Management Plan	Cr Carli
Early Years Partnership Committee	Cr Cugliari, Cr Ramsey, Cr Carli
Establishment Support Scheme	Cr Cugliari
Heritage Advisory Committee	Cr Dunn
HRV Grants Panel	Cr Turner, Cr Ramsey
Interface Councils	Cr Majdlik
Leadwest Ltd Board	Cr Ramsey
Melbourne Airport Noise Abatement Committee	Vacant
Melton Highway Action Committee	Cr Turner, Cr Cugliari
Melton Indoor Recreation Centre Committee	Cr Borg
Melton Railway Station Committee	Vacant
Melton Waves Reference Group	Cr Ramsey
Melton Weir Development Advisory Group	Cr Dunn, Cr Turner
Metropolitan Waste Management Forum	Cr Turner
Municipal Association of Victoria	Cr Majdlik, Cr Ramsey (Substitute)
Municipal Emergency Management Planning Committee	Cr Turner
Municipal Fire Management Planning Committee	Cr Dunn
National Growth Areas Alliance (NGAA)	Cr Majdlik, Cr Ramsey, Cr Dunn (Substitute)
PDAC (Planning & Development Advisory Committee)	Cr Ramsey, Cr Dunn
Police & Community Consultative Committee	Cr Majdlik, Cr Turner
Policy Review Panel	Cr Majdlik, Cr Ramsey, Cr Dunn
Public Hospital Committee	All Councillors
Ravenhall Prison Project – Community Advisory Group (CAG)	Cr Dunn, Cr Cugliari, Cr Majdlik (Substitute)
Road Safe Committee West Gate	Cr Ramsey
Road to Zero Steering Committee	Cr Dunn, Cr Ramsey
Shire of Melton Leisure & Arts Committee	Cr Majdlik
Strategic Health Forum	Cr Turner, Cr Ramsey
Suburb Naming Advisory Committee	Cr Majdlik, Cr Ramsey, Cr Carli, Cr Dunn
Western Highway Action Committee (WHAC)	Vacant
Western Melbourne Tourism Board	Cr Ramsey
Western Region Mayors Forum	Cr Majdlik
Westwaters/City of Melton Community Benefit Program	Cr Majdlik, Cr Dunn
Victorian Local Governance Association	Cr Turner
Youth Consultative Committee	Cr Turner, Cr Dunn (Substitute)



Corporate Governance

Corporate Planning and Reporting Framework

Melton City Council has developed a strategic and integrated approach to the planning and delivery of services to meet the current and future needs of the community.

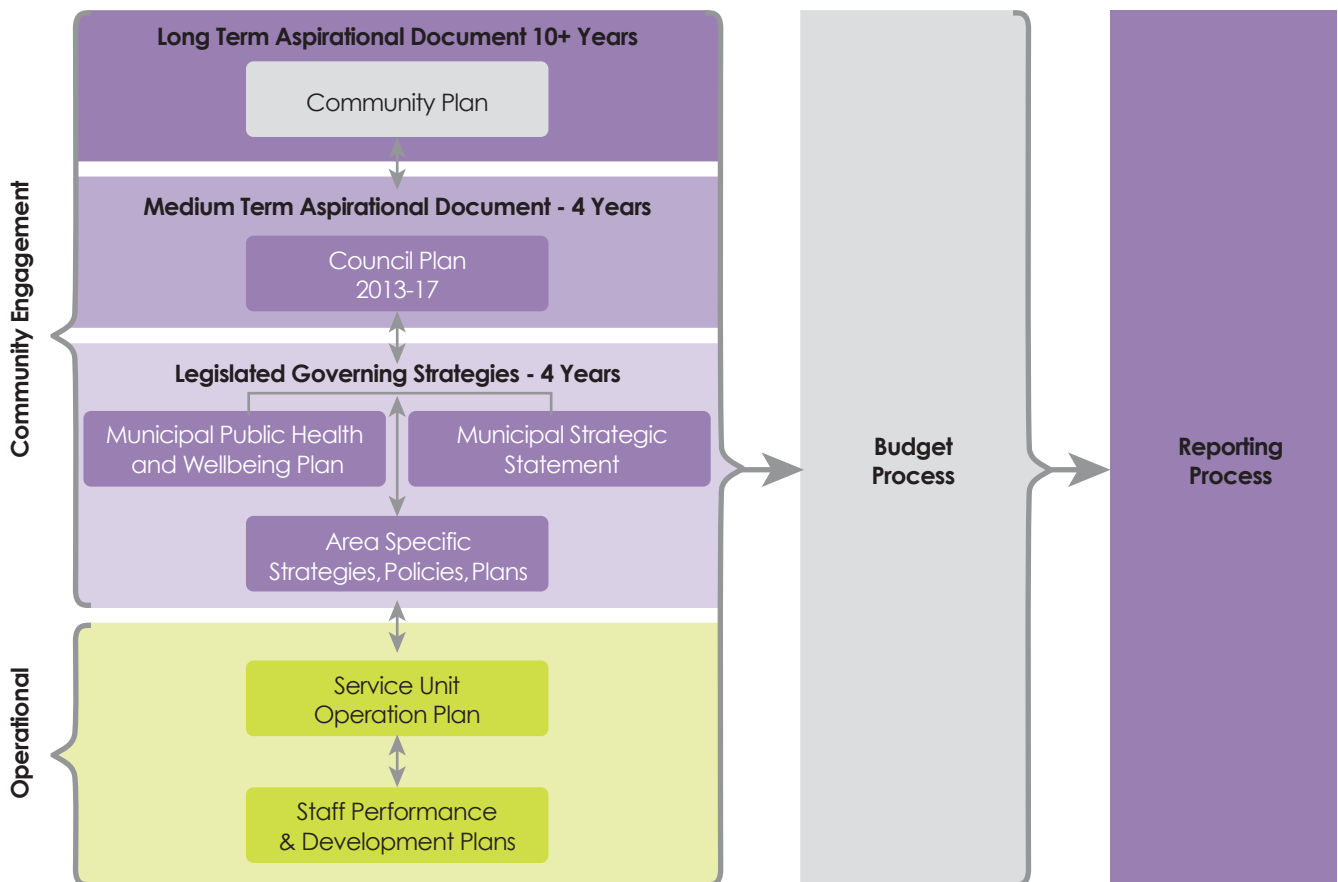
Integrated planning aims to ensure that we remain an adaptive, responsive and viable local government authority. This is facilitated by understanding the external environment and what our community aspires to; setting direction within our resource capability; and allowing Council to make informed decisions on behalf of our community.

The City's Integrated Planning Framework is the approach to setting strategic direction, which reflects where the City has come from, where it is going and how it will get there. This is translated into services that are delivered to the community, through our Annual Action Plan.

The Melton City 2013-2017 Council Plan sets the strategic direction for Council operations over the four year term of the elected Council. The Council Plan is reviewed annually to ensure we continue to provide relevant services with the financial capacity, assets and people available to deliver.

As our overarching strategic document the Council Plan provides direction to enable the generation of the necessary range of targeted strategies. These specific strategies provide Council with a detailed level of evidence based research, greater information and resourced action plans, to deliver services and specific initiatives.

The Council Plan drives the development of Council's Annual Action Plan and Budget. The Annual Action Plan and Budget are actioned through service operation plans linked to individual staff performance and development plans. This creates accountability and transparency at the organisational, management and individual levels.



Best Value

“Best value” is a series of principles defined in the Local Government Act (1989) to help Councils develop a planning framework to achieve operational efficiencies, effective long-term planning, high levels of accountability and transparent performance reporting.

For Melton City Council, “Best value” means providing the best possible services in the best possible way. Councils are required to ensure services:

- meet agreed quality and cost standards
- are responsive to the needs of the 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 uses a Corporate Planning and Reporting Framework to ensure that these principles are constantly applied in the development and delivery of services. This framework provides the structure and flexibility for Council to cater for the growing needs and expectations of the community to provide “best value” for public investment.

Privacy Policy

Council is strongly committed to the responsible handling of personal information and to protecting the privacy rights of individuals. Accordingly, Council is committed to full compliance with its obligations under the Information Privacy Act 2000 (Vic).

Council is also obliged to observe the terms of its own Privacy Policy, available on the Council website. The policy references the collection, use and disclosure, security and access of a range of information types.

Should any person feel that their personal information has not been treated appropriately in accordance with statutory obligations or Council policy, complaints may be made to the Privacy Officer on 9747 7200. Alternatively, complaints may be made to the Office of the Victorian Privacy Commissioner.

Information available for inspection

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

- details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Local Government Act 1989 Victoria (the Act)
- the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and the number of senior officers whose total remuneration falls within the ranges referred to above
- details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous twelve months, including the names of Council staff and the date, destination, purpose and total cost of the overseas and interstate travel
- names of Council officers who were required to submit a Return of Interest during the financial year and the dates the returns were submitted
- names of Councillors who submitted Returns of Interest during the financial year and the dates the returns were submitted
- agendas for, and minutes of, ordinary and special meetings held in the previous twelve months kept under Section 93 of the Act except if the minutes relate to parts of special meetings which have been closed to members of the public under Section 89 of the Act
- a list of all special committees established by Council and the purpose for which each committee was established
- a list of all special committees established by Council which were abolished or ceased to function during the financial year
- minutes of meetings of special committees established under Section 86 of the Act and held in the previous twelve months except if the minutes relate to parts of meetings closed to members of the public under Section 89 of the Act
- a register of delegations kept under Section 87, 88 and 98 of the Act
- submissions received under Section 223 of the Act during the previous twelve months
- agreements to establish regional corporations under Section 196 of the Act



- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- a register of authorised officers appointed under Section 224 of the Act
- a list of donations and grants made by the Council during the financial year, including the names of persons or bodies that have received a donation or grant and the amount of each donation or grant
- a list of the names of the organisation of which Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by Council
- a list of contracts valued at \$150,000 for goods and services and \$200,000 for carrying out of works (or such higher amount as may be fixed by an Order in Council) which the Council entered into during the financial year without first engaging in a competitive process which are not contracts referred to in Section 186(5) of the Act
- Council Policies.

Freedom of Information

The Freedom of Information Act provides the public with the opportunity to access Council documents. In 2012/2013, Melton City Council received 17 requests for information under the Freedom of Information Act, the results of the applications are as follows:

Result of Access	Number of Requests
Access granted in full	5
Access granted in part	6
Access denied in full	1
Other:	
No documents	1
Request withdrawn	Nil
Request closed (no response from applicant)	2
Requests not yet finalised as at 30 June 2013	2
Requests transferred to another agency	Nil
Total Number of Requests	17

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

Whistleblowers Protection

In February 2012, the Whistleblowers Protection Act 2001 was replaced by the Protected Disclosure Act of 2012. Consistent in intent, both pieces of legislation protect from reprisal any person who reports the improper or illegal conduct of Council staff or Councillors.

To this end, Council will take all appropriate steps to protect the identity of any person who seeks to disclose information that may lead to an investigation and or prosecution of Council. This includes the security of records whether paper or electronic.

The following statement, in accordance with the Section 105 of the Whistleblower Protection Act 2001, operated within the reporting year of 2012/2013.

Statement of support to Whistleblowers

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

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

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

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

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

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

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

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

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



Audit Committee

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.

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

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

- application of accounting policies
- financial management
- effective internal control systems
- Council policies and practices
- compliance with applicable laws, regulations and best practice guidelines
- risk management, in particular monitoring and controlling of community and commercial risk.

Members of the Committee

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

Members of the Committee during 2012/2013 were:

Alan Hall	Chairperson Independent External
Mark Holloway	Independent External
Adam Roberts	Independent External
Kathy Majdlik	Councillor
Garry Stock	Councillor (to October 2012)
Sophie Ramsey	Councillor (from January 2013)

The Audit Committee met five times during the year and also reviewed the 2011/2012 Statement of Accounts and provided comments on the external auditors' management letter.

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

Audit Reviews Completed in 2012/2013

During the 2012/2013 financial year, the following audits were undertaken by Council's Internal Auditors:

- review on Community Facilities Management/Hire
- review on Contract Management
- review on Contributed Assets (from subdivisions)
- review on Building Maintenance – Essential Safety Measures
- review on Staff Accommodation
- review on Information Technology Strategy.

Memberships

Memberships 2012/2013	\$
Aquatics & Recreation Victoria	600.00
Australian Local Government Women's Association	300.00
Association for Children with a Disability	55.00
Association of Neighbourhood House & Learning	435.00
Australian Cemeteries & Crematoria Association	269.00
Australian Learning Communities	330.00
Cemeteries & Crematoria Association of Victoria	480.00
Centre for Excellence in Child & Family Welfare	346.50
Council to Homeless Persons	150.00
Dataworks User Group	330.00
Early Childhood Australia	565.00
Early Learning Australia	419.40
Eco-Buy Ltd	2,530.00
Family Day Care Victoria	656.04
Greater Melton Chamber of Commerce	128.00
IPWEA	1,650.00
Interface Councils	10,894.18
Keep Australia Beautiful	1,000.00
Leadwest	84,575.59
Local Government Finance Professionals	632.50
Local Government ICT Group	2,585.00
Local Government Professionals	2,000.00
Meals Victoria	80.00
Municipal Association of Victoria	35,051.30
Municipal Works Officers Association	77.00
National Growth Areas Alliance	17,050.00
Parks & Leisure Australia	1,155.00
Planning Institute of Australia	560.00
Play Australia	440.00
Playgroup Victoria	50.00
Public Libraries Victoria	6,245.00
Revenue Management Association	300.00
TICA Default Tenancy Control Pty Ltd	20.00
VicSport	275.00
Victorian Employers Chamber of Commerce	6,000.00
Victorian Local Governance Association	23,400.00
Western Melbourne Tourism	27,500.00



National Competition Policy Compliance: 2012/2013

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

During the period 1 July 2012 to 30 June 2013 Melton City Council complied with the requirements of the National Competition Policy and did not receive any complaints in relation to Competitive Neutrality.



Community Engagement

Community consultation and engagement is a key desire of Council, a core element of the Council Plan, and is formalised within Council's Corporate Planning and Reporting Framework. Council has a commitment to working in partnership with the community to shape the future of the municipality, and believes that this is best achieved through the meaningful participation of an active and informed community.

Council has continued to promote and provide information about Council services and associated activities to the community through a range of communication tools, using both traditional and new media. The ongoing development and improvement of the Council website, the distribution of the quarterly 'Moving Ahead' municipal newsletter, regular advertising of Council services and public notices within the local press, including Ward Talks from Councillors, ensure that our Community is well informed and able to access valuable Council and community information.

As a standard operating procedure, Council encourages involvement in planning and decision making by seeking public input and comment in the development of policies and strategies, infrastructure designs and program reviews. Over 4,000 residents participated in multiple consultation methods, including surveys, submission invitations, grant funding applications, face to face interviews and a raft of

community forums. Community engagement effort and feedback is a standard inclusion within all Officer Reports to Council. The Community Satisfaction Survey, conducted annually by the Department of Community Planning and Development (DCPD), also provides valuable feedback. This year, the survey was significantly different, making comparisons with previous years difficult. However, survey results placed Melton City Council two points below the State-wide average, indicating improvement required in the "rural" classification of those surveyed. Other demographic categories scored significantly higher Melton City Council recorded an Overall Performance Index Score of 58. On other core performances, Council scored 52 on advocacy and 55 on community consultation and engagement.

This financial year saw Council implement several new initiatives. 'Meet the Mayor' events were hosted on the weekend across the municipality and developed for residents to speak freely with their Ward Councillors and the Mayor in an informal environment. These were widely publicised through the local press and letter box drops. Additionally, the budget process was expanded to include a public 'Budget Planning Forum' for the first time, in which individuals, community groups, sporting clubs and special interest groups were invited to meet with Councillors, Executive and Senior Officers to communicate their desires for inclusions within the Council budget.



Performance

Overview



Highlights 2012/2013

Adoption of 2013-2017 Council Plan

Council adopted the 2013-2017 Melton City Council Plan, a strategic document that articulates Council's vision for the community and transforms its soaring aspirations for the City into grass-root programs, infrastructure and services that nurture and support the residents.

Council has expressed several themes that directed the overall direction of the 2013-2017 Council Plan into four Strategic Outcomes:

1. Managing our Growth – A clear vision to connect and develop a sustainable City
2. A Well Governed and Leading Organisation – Operating with innovation, transparency, accountability and sustainability
3. Diverse, Confident and Inclusive Communities – A culturally rich, active, safe and connected City
4. Community Health and Wellbeing – A City of people leading healthy and happy lives

Managing our growth

Morton Homestead wins cultural heritage award

Morton Homestead, one of Council's community facilities, took out the Cultural Heritage award at the 2012 Keep Australia Beautiful Victoria Sustainable Cities Award. The homestead is a rare example of an early 20th century farmstead. Council transformed the farmstead into a community hub while preserving its historical features. Community activities including Planned Activity Groups are now taking place in the building.

Urban Design Framework for Toolern Town Centre

The framework developed by the Growth Areas Authority in conjunction with Council sets out major transport infrastructure in the new principal town centre south east of Melton, which will play a major part in the creation of 20,000 jobs and set a new standard in urban design.

\$14.6 million funding for suburban jobs

The Australian Government announced \$14.6 million funding through the Suburban Jobs Program towards the establishment of an innovative business accelerator and centre for excellence (Western BACE) in the Toolern growth area. The \$21 million Western BACE will provide space and support for new and developing businesses, giving them opportunities to expand and develop skills that will ultimately create business growth and further employment options for local residents.

Ferris Road funding

The State Government awarded \$1.5 million for the installation of traffic signals at the Ferris Road interchange intersection in Melton.

Funding for Atherstone Children's and Community Centre

The State Government announced \$1.5 million in funding towards the delivery of the Atherstone Children's and Community Centre. This will help Council deliver a new Early Years facility within the Atherstone Development in Toolern. It will provide three and four year old kindergarten, Occasional Care, Maternal and Child Health, parenting groups, Early Childhood Intervention Service and playgroups.

New recycling bins at Melton Waves

Thirteen dual waste and recycling bins were installed at Melton Waves thanks to a joint initiative between Melton City Council and Keep Australia Beautiful.

Road construction projects

Continuing to meet the needs of a rapidly growing community, Council has again invested significantly in roads infrastructure. Providing major duplication works to assist traffic flow and improve safety, and building additional access routes in high need areas, Council completed a number of projects. Construction of Neales Road was completed, Centenary Avenue from Coburns Road to Palmerston Street in Melton was duplicated, as



was Gourlay Road between Hume Drive and Taylors Road in Taylors Hill. Works also commenced on the Westwood Drive and Bridge construction project. Also of considerable investment is Council's ongoing asset maintenance program, ensuring the existing street network is kept up to standard. It also provides for the repair and installation of street furniture, including traffic calming measures, throughout the municipality.

Refurbishment of Kororoit Creek Early Years Centre

The centre underwent a \$300,000 refurbishment, funded by the State Government, to add an additional third kindergarten room to meet increasing demand.

Heritage Week

The Melton Heritage Award kicked off the Heritage Week celebrations, which also included heritage tours, a Maltese celebration lunch, exploring Eynesbury by lantern light, a Historical Society exhibition, a photography exhibition and heritage renovation talks.



New school

Council welcomed the announcement of \$11.5 million in State Government funding for a new primary school in Melton North West. The school will be located adjacent to Council's Arnolds Creek Children's and Community Centre.

Volcano Dreaming Exhibition

A stunning installation made up of thousands of nature photos from in and around Melton was on display in various locations across the municipality. It highlights the flora and fauna of the local volcanic plains around the Melton region and brings attention to one of the world's most endangered ecosystems, the wildflower grasslands of the volcanic plains that stretch from Melbourne, across most of southern Victoria to the border of South Australia.

Opening of Melton Library and Learning Hub

The Green Building Council of Australia Five Star Green Star accredited building, the first of its kind in



Image courtesy inherit earth www.volcanodreaming.com.au



Melbourne's west, has a focus on sustainable design and energy efficiency, including extensive use of sustainable materials, efficient design to minimise heating, cooling and lighting costs, generation of some of its own power needs and a strong emphasis on rain collection and use.

It is an airy, light-filled space spread over two levels and is more than four times bigger than the old library. It boasts an impressive suite of services, programs and facilities including Maternal and Child Health services, customer service, a cafe, meeting rooms including a 80 seat auditorium, 68,000 book, DVD and video games titles, free internet PCs, a recording studio, a specially designed children's area, youth chill-out and games area, a range of community services and a large family and local history area.

Regional Development Australia funding allocation

Council has been allocated \$939,118 under the program and was required to make a submission to access the funding.

Universal Access for Kindergarten

Council officers have worked strategically with relevant partners towards the implementation of Universal Access in 2013. Universal Access is providing 15 hours of kindergarten to children attending a four year old kindergarten program. Council has successfully achieved 85% Universal Access for kindergartens participating in Council's central enrolment service across the municipality and aims to be at 100% in 2014.

A Well Governed and Leading Organisation

Invitations for the community to have their say

Over the 2012/2013 year Council invited residents to have their say on a number of projects and spaces, including Arnolds Creek Recreation Reserve, Burnside Heights Recreation Reserve, Navan Park, Taylors Hill West Recreation Reserve, Bridge Road Reserve, Eynesbury Recreation Reserve, Aquatic Strategy, Melton Reservoir Feasibility Study, Rating Strategy, Retail and Activities Areas Strategy, Disability Action Plan, Courthouse Plaza and McKenzie Street redevelopment.

City Status

The municipality cemented its position as one of the fastest growing regions in Australia after being officially recognised as a city early September 2012.

Suburb renaming project

Council has established a Suburb Naming Advisory Committee, responsible for developing a shortlist of names for the formation of eleven new suburbs within the municipality. The rapid population growth means that new residential and industrial areas are being developed on a regular basis, particularly north and south of Melton township and the Rockbank and Plumpton areas. Local boundaries will be reviewed to ensure they adequately define the existing situation.

Advocacy

A delegation from Melton City Council attended a meeting of the National Growth Areas Alliance (NGAA) in Sydney to discuss the important issues facing people living in Australia's outer growth suburbs. The forum saw the release of strategic documents and research that assists growth Councils to advocate for policy change and additional infrastructure assistance from State and Federal Government.





The NGAA also started the Voices of Outer Suburbs campaign, which features an interactive website that allows residents to relate their stories of living or doing business in their area. The NGAA will use these stories to advocate for more infrastructure and services.

Melton City Council also made a submission to the Minister of Planning in relation to "Melbourne, let's talk about the future", a Metropolitan Planning Strategy Discussion Paper. This strategy will guide investment in infrastructure and integrated land planning use across the metropolitan region over the next 30-40 years.

The Mayor and the CEO also travelled to Parliament House to meet with the Prime Minister, Federal Ministers and Shadow Ministers as part of the LeadWest Mayors of Melbourne's West Delegation to Canberra 2013.

Budget Engagement Session

Before Council started its 2013/2014 budget deliberations, Council held a budget engagement session to hear the community's ideas and thoughts for Council's 2013/2014 budget.

Meet the Mayor

Council organised four Meet the Mayor sessions across the municipality, offering residents the chance to come along to a sausage sizzle and meet the Mayor and Ward Councillors, an opportunity to talk with Councillors in an informal setting and discuss issues that concern them.

Graduate Engineer Rotation Program

Council reviewed the Graduate Engineer Rotation Program during 2012/2013 and decided to expand the program to include the Capital Projects Team. Graduate Engineers now rotate through five areas in the Planning and Development Directorate spending six months in each of the following areas:

- Operations
- Infrastructure Planning

- Design and Traffic
- Civil Projects
- Capital Projects

With the Graduate Engineer Rotation Program, Melton City Council is adding to the pool of engineers in the market place and also offering them a broad range of experience that helps shape their careers and provides them with the necessary skills for a rewarding future in Local Government.

Diverse, Confident and Inclusive Communities

Lakeside Live does a Summersault

Community festival Lakeside Live in Caroline Springs was held at a new date and a new site, improving crowd safety, comfort and reducing the need for inconvenient road closures. Performers at the festival included Jessica Mauboy and Ross Wilson and the Peaceniks.

Carers Expo

The CARE Melton 2012 – Carers Access Resources EXPO was held with over 35 exhibitors providing support, services or resources to carers, people with a disability or older adults within the municipality.

Outstanding community members recognised

The 2013 Melton City Council Community Achievement Awards were presented at Council's Australia Day celebrations at the Willows Historical Park. Citizen of the Year Award was presented to Danny Conlan, the youth Citizen of the Year Award to Maddison Parker and the Community Organisation of the Year Award to The Gap on Graham Inc.

Pop Culture

Council introduced a pilot arts and cultural program called "Pop Culture", offering free entertainment to residents. Film nights, a dance and theatrical performance and an afternoon of jazz were all on offer.



Women in Business Breakfast

Council celebrated International Women's Day by hosting a Women in Business Breakfast featuring two high achieving prominent businesswomen: EPA Chairman Cheryl Batagol and Carmen's Kitchen founder, Carolyn Creswell.

Engaging children in decision making

Melton City Council, together with several project partners, has developed an innovative resource for consulting with children. The Engaging Children in Decision Making Guide provides examples of international and national best practice and has been designed for use by organisations and individuals that recognise the right of children to participate in their community as active citizens.

Community Health and Wellbeing

Kurunjang Community Pavilion Extension

Extensions involved converting the old 'home' change rooms into an umpire's room, converting the old 'away' change rooms into a First Aid room and building four new change rooms to support the two soccer fields on site. The new spaces will enable both boys and girls to access the facilities at the same time and encourage female participation in cricket and football in Kurunjang.

Burnside Heights Sports Cube

The Burnside Heights Sports Cube, located adjacent to the new play space in Burnside Heights was completed and includes two cricket nets, half netball/basketball court, soccer goal and a tennis practice wall. The Sports Cube is used as a training facility for the Burnside Heights Cricket Club and is a valuable recreation space for the community.

New bike parking shelters

Five bike parking shelters were installed at key locations across the municipality to encourage residents to leave their cars at home and cycle around town.

Key to the City for Arnold Schwarzenegger

The Mayor presented the key to the city to Mr Arnold Schwarzenegger during his visit to a local gym, as an acknowledgement in his achievements and for taking time to visit the City of Melton and encouraging residents in becoming more active within the community.

Improvements to MacPherson Park

Council welcomed the announcement of \$40,000 in funding from the State Government for the installation of lights at MacPherson Park in Melton. The funding will facilitate the installation of lighting at the newly constructed \$130,000 netball court.



Report of Operations

1 Legislative Factors

The Local Government Legislation Amendment Bill 2012 was passed by Parliament during this year with the following purpose:

- a to amend voting procedures for Councillors
- b to provide for the appointment of a Probity Auditor in relation to the handling by Council of a complaint into the conduct of the Chief Executive Officer
- c amending the powers of Councils to declare differential rates and to require the consideration of Ministerial Guidelines
- d to amend the method by which interest is charged on unpaid rates and charges
- e to make further amendments to clarify the operation of the Act.

The State Government also brought in legislation to create a property based Fire Services Property Levy to be collected by Local Government Authorities throughout the State.

The Melton Shire Council was re-constituted as a City Council by Order in Council which appeared in the Government Gazette dated 6 September 2012.

2 Economic Factors

The continuing slow down in activity in the home building industry continued to impact upon the City of Melton. New housing commencement was at low levels relevant to recent history and this has impacted on employment opportunities and the rate of provision of new infrastructure within the municipality. The reduced demand in the housing market for greenfields sites has also impacted upon Council's distribution from its Joint Venture Development Agreement with LendLease Communities, with Council's returns from that Joint Venture project being significantly below budgeted and forecast levels.

Interest rates continued to be cut during the 2012/2013 year. This had a positive impact within the Melton community by reducing the level of mortgage stress experienced by residents, however conversely had a negative impact in terms of Council's financial performance as income from interest on investments was lower than that forecast. This was to some degree offset by Council's success in attracting significant capital grants from other levels of Government

which resulted in a positive cash flow to the Council leading to greater reserves being invested, albeit at lower rates of return.

The general slow down in construction activity across the State also impacted upon Council's operations to the extent that Council experienced higher levels of competition for tenders for capital works that were advertised by Council during the 2012/2013 year.

Successful new funding 2012/2013

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

Table 1 – Successful New Grant Applications 2012/2013

Number of successful new grant applications 2012/2013	26
Funds received for successful new applications in 2012/2013	\$8,512,222
Total funds outstanding (to be invoiced in 2013/2014 financial year and subsequent years)	\$11,074,711
Total financial value of successful new grant applications submitted in 2012/2013	\$19,586,933

Total funding received

Over the previous twelve months, the City of Melton has received \$33,773,410 in both recurrent and non-recurrent funding through a range of funding sources including State and Federal Government. This funding has been received for the delivery of a number of capital works projects as well as a range of services for our community.

This funding is received through a range of external funding sources including the Department of Planning and Community Development (DPCD), the Department of Education and Early Childhood Development (DEECD) and the Department of Health (DoH). This funding has been received for the delivery of a number of capital works and infrastructure projects as well as a range of services for our residents' diverse needs.

**Table 2 – Total external funding received**

Total value of funds received recurrent and non-recurrent funding 2012/2013	\$33,773,410
Total fund outstanding (to be invoiced in 2013/2014 financial year and subsequent years as per Table 1)	\$11,665,385
Total value external funds 2012/2013 received and outstanding	\$45,438,795

3 Structural Changes to Council

During the 2012/2013 year the following structural changes occurred within Council:

- restructuring within the Reactive Maintenance Team to address changing needs and pressures of providing facilities maintenance services to Council's rapidly growing asset base and to improve efficiency
- re-location of the Open Space Planning Role from the Planning Unit to the Leisure & Facilities Unit, and re-assignment of the Landscape Development Supervisor role from the Planning Department to the Engineering Services Department. Both of these adjustments were undertaken with the objective of improving cohesion in service delivery outcomes
- creation of a Western BACE Project Co-ordinator position. This position was created to manage the design, development and preparation of business plans for the operation of the Western Business Accelerator and Centre of Excellence Project. This Project came about with the assistance of \$14.6 million funding from the Federal Government under the Suburban Jobs Program.

4 Major Policy Initiatives

Council via its Policy Review Panel, has considered and approved several new policies and revision to several existing policies. This process has supported the provision of clear direction in Council's decision making, which is aligned, efficient and effective.

In ensuring well governed operations and supporting the capacity of our people and optimum organisational performance, the following policies were developed and adopted:

- Asset Capitalisation Policy
- Donations Policy
- Language Services Policy

- Liquor Licence Policy
- Social Media Policy.

Council also reviewed and revised policies in the areas of Building Control, Councillor Code of Conduct and Community Transport.

Financial Overview

Council's equity increased by \$95 million during 2012/2013, mainly due to assets contributed by developers of \$72 million and capital grants of \$12.8 million. Council's net worth to the community is \$1,219 million.

Operating Result

Council's operating result for the year was a surplus of \$95 million inclusive of \$79.6 million of contributions from developers of which \$72.3 million were contributed assets.

Cash Position

Council's cash position at 30 June 2013 decreased by \$6 million to total cash on hand at year end of \$29.5 million.

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

Financial Ratios

Council's debt servicing ratio, which is a measure of debt servicing cost as a percentage of Council's rate income, has decreased due to reduced borrowings and increased rates income. Council's debt commitment ratio, a measure of Council's rate revenue utilised to pay interest and redeem debt principal, has increased slightly to 12.63%.

Council's working capital ratio increased to 1.65 from 1.57 mainly due to Vision Superannuation Benefit Call of \$4.5 million recognised in the prior year.

Capital Works

Council's expenditure on capital items for the year was \$37.7 million, an increase of \$3.5 million on the previous year, with 69% of the original approved budget program being completed. Capital projects worth \$14.3 million consisting of 38 projects were not completed as planned. These projects are expected to be completed in the 2013/2014 financial year.

Major projects completed included:

- roads \$7.6 million
- community Infrastructure \$19 million
- plant replacement \$1 million
- tourism and leisure \$2.2 million

Domestic Animal Management Plan

In 2012 all Councils were required to review the Domestic Animal Management Plan 2009. To facilitate community engagement, Melton City Council convened the Domestic Animal Welfare Community Liaison Committee comprising Councillor and management representatives and four community members. The work undertaken by the committee produced a draft plan for Council consideration. At the Ordinary Meeting of Council on 5 March 2013 Council adopted the Domestic Animal Management Plan 2012-2016.

Key objectives addressed during the 2012/2013 financial year were as follows:

Objective 1:

Training and development - staff participated in manual handling and hazard identification training following a skills audit and attended all relevant regional and specific training opportunities during the year. Officers continue to take up training in Certificate IV in Government (Statutory Compliance) and Animal Control & Regulation. Operational 4WD vehicle was specified and delivered to meet improved animal transportation issues as well as other Local Law service delivery requirements.

Objective 2:

Responsible pet ownership - Council's web page on animal management was further reviewed and updated as part of the continuing focus on providing relevant and informative information to the Melton community. As part of the promotion of responsible pet ownership micro chipping and education material was made available at the Djerriwarrh Festival in 2012. The use of "off leash" sites established in the municipality continues to grow and provides areas for dogs (and their owners) to socialise.

Objective 3:

Identification and registration - Staff have implemented a program to identify and correct registration variances to ensure that the animal system has the correct data for each registration. Changes included 'change of animal registration' form that can be accessed from the website. Council continued its animal registration doorknock throughout the City that focuses on owners that failed to renew registration.

Objective 4:

Compliance with Legislation and Orders - Staff are enforcing compulsory desexing of cats at registration and micro-chipping of all animals. Infringement notices for offences under the Domestic Animals Act are being issued to animal owners. When required these matters are also being pursued in the Magistrates' Court.

Objective 5:

Domestic animal businesses – Council Officers have carried out inspections of domestic animal businesses registered within the municipality. The inspections found that the businesses complied with the relevant codes established.

Objective 6:

Declared dogs – Council Officers are continuing to monitor and inspect premises that have declared dogs to ensure compliance with the Domestic Animals Act and regulations. Council is proactive in declaring dogs that meet the requirements of a dangerous dog in the Domestic Animals Act.



Report against Council Plan

Local Government Action s131 (2) (b)

The following section provides an overview of the past 12 months of operations at Melton City Council and focuses on:

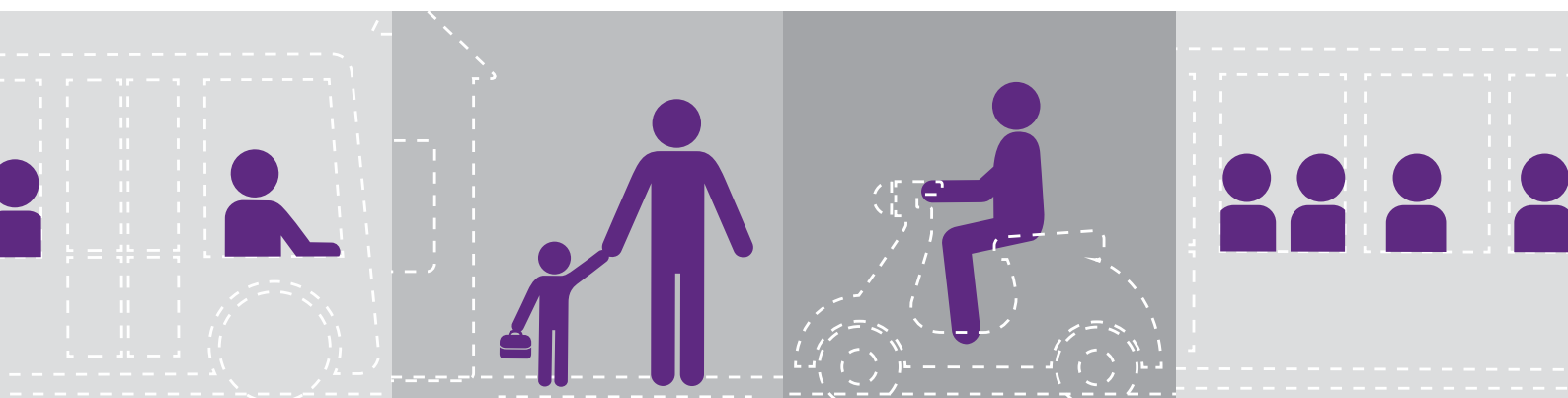
- Council's achievement of activities and initiatives from the 2012/2013 Council Action Plan
- significant projects and plans
- major capital works.

Report on 2012/2013 Actions

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

The 2012/2013 Action Plan contained 94 actions. As at 30 June 2013, of these actions 75 were achieved, 10 were substantially completed (70% or above) and the remaining 9 were not completed (below 70%). Actions not completed have been included in the 2013/2014 Council Action Plan.

Status	# Actions
Fully completed	75
Substantially completed (>70%)	10
Not fully completed (<70%)	9





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

Strategy	Actions - what has been achieved	Status
1.1 Ensure everyone has access to quality Council services	<ul style="list-style-type: none"> provision of respite care for frail aged and people with a disability at MELBACC House 	Fully completed
	<ul style="list-style-type: none"> advocate for increased provision of health professionals within the municipality 	
	<ul style="list-style-type: none"> deliver a range of programs and initiatives to support young people from the new Taylors Hill Youth and Community Centre and at the Melton Youth Centre 	
	<ul style="list-style-type: none"> deliver the Private Rental Access Program 	
1.2 Provide opportunities for people to come together, socialise and be involved in their community	<ul style="list-style-type: none"> offer a range of Planned Activity Groups in locations throughout the municipality 	Substantially completed (>70%)
	<ul style="list-style-type: none"> support wellbeing of young people through the delivery of the Saturday Nights!!Live!! Program 	
	<ul style="list-style-type: none"> deliver Freeza funded youth entertainment events across the City 	
	<ul style="list-style-type: none"> support men's health and wellbeing through Men's Shed activities and programs 	
	<ul style="list-style-type: none"> annual Senior Festival Dinner Dance 	
	<ul style="list-style-type: none"> promote reading throughout the City 	
	<ul style="list-style-type: none"> administer Council's Community Funding Programs to fund local activities and projects 	
	<ul style="list-style-type: none"> deliver Council's events and culture program 	
1.3 Improve physical, social and mental health and wellbeing for a safe, active and healthy community	<ul style="list-style-type: none"> deliver Home and Community Care (HACC) service delivery hours for the municipality 	Substantially completed (>70%)
	<ul style="list-style-type: none"> develop the 2013-2017 Municipal Public Health Plan 	
	<ul style="list-style-type: none"> provide support to vulnerable families eligible under the Commonwealth funding criteria 	
	<ul style="list-style-type: none"> provide places for family day-care service care providers 	
	<ul style="list-style-type: none"> provide occasional care service to the Melton community 	
	<ul style="list-style-type: none"> improve active participation and promote healthy eating through delivery of the Live Eat Go! Program 	
	<ul style="list-style-type: none"> provide support to vulnerable families eligible under the Commonwealth funding criteria 	

Key: Fully completed

Substantially completed (>70%)

Not fully completed (<70%)



Strategic Indicators	Results
1a) Healthy, safe and inclusive communities	<ul style="list-style-type: none"> • attended three strategic health forums • two government presentations were given to advocate for increased provision of health professionals • 10 youth programs delivered at the new Taylors Hill Centre • 5% increase in attendance at the Melton Youth Centre • 903 Men's Shed activities/programs delivered (19.4 attendees per day) • 21,448 centre-based and home delivered meals to Home and Community Care clients • a new Health Profile for the municipality was developed • an external health forum to engage health providers in the development of the Municipal and Public Health Plan • \$246,881 of funding was distributed to vulnerable families • 1,100 residents participated in the Live Eat Go! Program
1b) Culturally rich and vibrant communities	<ul style="list-style-type: none"> • 34 Saturday Nights!!Live!! youth events held • eight Freeza youth events held • 157 elderly residents at Annual Senior Festival Dinner Dance • Melton libraries serviced 33,527 members an average of 16.75 loans per member • \$364,990 was awarded to 165 successful Community Grants applicants • Council's events and culture programs received a satisfaction rating of 70% or above for events run by the team
1c) Accessibility to services provided by Council	<ul style="list-style-type: none"> • 142 clients were placed in accommodation (seven per month) via the Private Rental Access Program • 28,615 hours of respite hours was provided to 17 frail aged clients and 64 disabled clients • 17,602 key age and stage assessments and an additional 2796 Maternal and Child Health consultations were conducted • 1557 four year olds kindergartens enrolments were administered • 14,243 core hours and 18,779 high care hours of Planned Activity Groups were delivered throughout the City • 528 reading related activities held at Council Libraries were attended by 20,000 people • 17,183 hours of domestic assistance, 9005 hours of personal care, 5888 hours of respite care and 2178 hours of property maintenance were delivered by the Home and Community Care team to elderly residents across the City • monitored and supported 45 family day-care providers to care for 662 children in care • provided 13,455 occasional care service places and 14 sessions per week across the City

Objective 2: Environment: Protecting and enhancing our environment

Strategy	Actions - what has been achieved	Status
2.1 Encourage and promote sustainable living	<ul style="list-style-type: none"> deliver Council's Environmental Grant Program reduce Council's Carbon footprint through the Implementation of Council's Greenhouse Action Plan deliver Council's environmental education program to enhance our community's understanding of environmental issues 	
2.2 Protect and enhance our natural environment and cultural heritage	<ul style="list-style-type: none"> deliver Council's Environmental Enhancement Policy deliver Council's fire prevention plan 	
2.3 Enhance the quality of urban and natural environments	<ul style="list-style-type: none"> update the Melton Planning Scheme 	
2.4 Provide services and infrastructure that are environmentally sustainable	<ul style="list-style-type: none"> deliver design of Botanica Springs Community Hub in accordance with Environment Sustainable Design Guidelines 	

Strategic Indicators	Results
2a) Reduction of carbon footprint for future generations	<ul style="list-style-type: none"> 13,947 of CO₂-equivalent emissions from the Council's operations (2,339 reduction on the 2010 baseline emissions) 25 % of green house actions completed of the four year plan Botanica Springs Community Hub Designed in accordance with Environmentally Sustainable Guidelines
2b) Responsible natural resource management	<ul style="list-style-type: none"> environmental education program delivered to 900 community members, 17 Community Environmental Groups and 21 schools 100% of fire prevention mitigation actions completed Dry Stone Study completed
2c) Environmental protection and enhancement	<ul style="list-style-type: none"> four successful applicants received \$1000 each to assist with environmental education initiatives 96 % eligible property landowners retained their rebate for pest and weed control of their rural properties

Key: Fully completed



Substantially completed (>70%)



Not fully completed (<70%)





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

Strategy	Actions - what has been achieved	Status
3.1 Identify and attract new investment opportunities	<ul style="list-style-type: none"> facilitate investment opportunities through business development events 	
3.2 Develop and support existing businesses	<ul style="list-style-type: none"> undertake program of training for small businesses throughout the City conduct annual Business Excellence Awards 	
3.3 Encourage local skill development and local employment opportunities	<ul style="list-style-type: none"> deliver the Careers Expo 	
3.4 Identify requirements for future growth in business	<ul style="list-style-type: none"> undertake a business visitation program to ascertain issues and needs of existing business 	

Strategic Indicators	Results
3a) Provision of training opportunities	<ul style="list-style-type: none"> 170 people attended 16 training programs held for business 288 young people attended Careers Expo
3b) Business development	<ul style="list-style-type: none"> 483 people attended Business events including The Melton Plate, Local Business Awards, Women's Business Breakfast and Building for Success Breakfast 46 entrants in this year's Business Awards 101 business visitations

Key: Fully completed

Substantially completed (>70%)

Not fully completed (<70%)

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

Strategy	Actions - what has been achieved	Status
4.1 Proactively consult, plan, build, maintain and upgrade assets.	• maintain Council Road and Drainage infrastructure in line with Council's Road Asset Management Plan	Fully completed
	• deliver 2012/2013 Capital Works Program	Substantially completed (>70%)
	• continue to advocate to State Government for Community services funding aligned with municipal growth	Fully completed
	• achieve Municipal Association of Victoria (MAV) Core Maturity in Asset Management practices	Not fully completed (<70%)
	• complete key recreation and open space Masterplans	Fully completed
	• commence construction of Westwood Drive Bridge - Stage 1	Fully completed
	• delivery of annual Resurfacing Sealed Roads Program	Fully completed
	• construction of sealed car park at Federation Way (Brookside Centre)	Substantially completed (>70%)
4.2 Advocate for a range of housing choices to offer lifestyle options.	• continue to work with land developers to ensure a range of housing options are provided	Fully completed
4.3 Advocate for and further integrate and improve the transport network within the municipality.	• deliver Council's Transport Access Plan	Substantially completed (>70%)
4.4 Provide access to quality infrastructure and services.	• development of a Library Services Outreach Plan	Not fully completed (<70%)
	• work with partners to ensure Council achieves the best community outcome from the Joint Venture Atherstone project	Fully completed
	• complete construction of the Melton Library and Learning Hub (Stage 2)	Fully completed
	• commence construction of the Botanica Springs Children's & Community Centre (Stage 1 of 2 year project)	Substantially completed (>70%)
	• commence construction of sports fields at Arnolds Creek Recreation Reserve - Stage 1	Substantially completed (>70%)
	• construction of additional Kindergarten Rooms at Kororoit Creek Early Years Centre	Fully completed

Key: Fully completed

Substantially completed (>70%)

Not fully completed (<70%)



Strategic Indicators	Results
4a) Sustainable built and natural environment	<ul style="list-style-type: none"> 40% Municipal Association of Victoria (MAV) Core Maturity in Asset Management practices
4b) Enhancements to assets and service delivery	<ul style="list-style-type: none"> 99.64% compliance with Road Management Plan achieved Westwood Drive Bridge - Stage 1 construction commenced Annual Resurfacing Sealed Roads Program delivered 6% below budget received \$775,000 funding from the Joint Venture Atherstone project
4c) Accessibility to community infrastructure provided by Council	<ul style="list-style-type: none"> 68% capital projects were delivered on time, 76% were delivered within budget Bridge Road Reserve, Navan Park, Arnolds Creek recreation reserve and Taylors Hill West Reserve Masterplans were adopted by Council in September 2012 30 houses at Toolern (Atherstone) built this year which were of diverse lot sizes, house sizes and prices

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

Strategy	Actions - what has been achieved	Status
5.1 Practice good governance, social, economic and environmental responsibility	<ul style="list-style-type: none"> review the current capital delivery model for capital projects and develop a new model 	Fully completed
	<ul style="list-style-type: none"> deliver anti discrimination, harassment and workplace bullying training to staff 	Substantially completed (>70%)
	<ul style="list-style-type: none"> develop 2013-2016 Work, Health & Safety Strategy 	Fully completed
	<ul style="list-style-type: none"> revise and implement staff performance development framework and system 	Fully completed
	<ul style="list-style-type: none"> develop the 2013-2017 Council Plan 	Fully completed
	<ul style="list-style-type: none"> develop the Domestic Animal Management Plan 	Fully completed
	<ul style="list-style-type: none"> develop and implement a swimming pool barrier maintenance program 	Substantially completed (>70%)
	<ul style="list-style-type: none"> develop an essential services maintenance plan for public buildings 	Not fully completed (<70%)
	<ul style="list-style-type: none"> deliver Council elections 	Fully completed
	<ul style="list-style-type: none"> audit Maintenance program for Safety Features in buildings 	Not fully completed (<70%)
	<ul style="list-style-type: none"> conduct food inspections of food premises throughout the City 	Fully completed
	<ul style="list-style-type: none"> provide organisational leadership in the management of corporate information 	Fully completed
	<ul style="list-style-type: none"> review and develop Council's Strategic Resource Plan 	Fully completed
	<ul style="list-style-type: none"> develop the 2013/2014 Municipal Budget 	Fully completed
	<ul style="list-style-type: none"> develop the 2013/2014 Rating Strategy 	Fully completed
<ul style="list-style-type: none"> implement new information technology external security management contract. 	Not fully completed (<70%)	
5.2 Provide clear direction and build organisational alignment	<ul style="list-style-type: none"> deliver the Corporate Induction Program to new staff 	Fully completed
	<ul style="list-style-type: none"> develop and implement internal audit program on effectiveness of risk controls 	Substantially completed (>70%)
	<ul style="list-style-type: none"> review human resources policies and procedures to ensure compliance with human rights and equal opportunity legislation 	Fully completed
	<ul style="list-style-type: none"> process planning applications within statutory timeframes and Melton land use regulations 	Fully completed
	<ul style="list-style-type: none"> review all position descriptions to ensure compliance with workplace equity and diversity principles 	Fully completed

Key: Fully completed

Substantially completed (>70%)

Not fully completed (<70%)



<p>5.3 Develop excellent service delivery based on a culture of continual improvement, innovation and learning</p>	<ul style="list-style-type: none"> • Executive and senior management team to complete the Applied Management Colloquium • annual review of Procurement Policy • implement the recommendations from Procurement Road Map • implement an electronic process for handling all staff leave request forms • achieve Department of Health Services Standards accreditation for Family and Housing Services • provide quality customer service to our community • evaluate Council's in-house legal service • administer rate collection • establish and facilitate the operation of an Information Technology Investment and Control Board • establish a new test platform for corporate business information systems (ECM, Authority, City Manager) 	
<p>5.4 Advocate to the State and Federal governments and to other service providers on behalf of our community</p>	<ul style="list-style-type: none"> • deliver the Australian Learning Community Network National conference • advocate for additional Home and Community Care funding • advocate to key government agencies and other representatives to facilitate planning and delivery of key infrastructure for the municipality 	

Strategic Indicators	Results
5a) Compliance with legislative requirements	<ul style="list-style-type: none"> • 98% of registered class 1 food premises underwent an annual food safety assessment • 100% of Human Resource policies and procedures are compliant with Legislation
5b) Good governance practices	<ul style="list-style-type: none"> • new risk Program developed and 39% of audits completed • 100% of executive and senior management team completed Applied Management Colloquium training • 91% of Procurement Road Map recommendations implemented • accreditation was achieved by Housing, Family and MELBACC House services
5c) Effective and efficient systems and processes	<ul style="list-style-type: none"> • 100 % of staff using the Personal Evaluation System (excluding School Crossing and Home care staff) • 500 swimming pools identified in the City without a permit • 100% of new staff who have completed Council's induction program within five months of commencement • median processing days (gross days) for planning applications was 200 • 89% of planning applications were completed within statutory timeframe - 60 days • 100% of leave requests were processed online excluding Home care and School Crossing Staff • 77% Grade of Service achieved for inbound call enquiries • 67% customer service enquiries resolved on first call • 80% reduction in legal costs from previous 12 months achieved by bringing legal services in house • 95% of rates received on time • hosted Australian Learning Community Network National Conference (80 registrations)
5d) Resourced by both State and Federal governments	<ul style="list-style-type: none"> • \$ 242,368 Home and Community Care funding received, an increase of 7% from previous year • \$125,000 received to fund feasibility of Toolern Train Station (Liveable Cities grant)
5e) Community confident to have issues raised and addressed	<ul style="list-style-type: none"> • advocated to Federal advisors and Politicians via the National Growth Areas Alliance • 73% voter turnout at the 2012 Council election



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

Strategy	Actions - what has been achieved	Status
6.1 Consult and involve the community to provide responsive, high quality services and facilities	<ul style="list-style-type: none"> develop a Community Engagement Framework 	Not fully completed (<70%)
6.2 Enhance volunteering and leadership within the community	<ul style="list-style-type: none"> coordinate, manage and recruit volunteers across Community Care and Inclusion deliver the Volunteer Transport Service maintain active volunteer network at the Melton Visitor Centre 	Substantially completed (>70%)
6.3 Build strong, productive relations to encourage the sharing of knowledge	<ul style="list-style-type: none"> review the Melton Indoor Recreation Centre Joint Usage Agreement continue to develop Council's website develop Social Media Policy develop Family Violence Prevention Strategy 2012-2015 	Substantially completed (>70%)
6.4 Ensure that all groups have an equal opportunity to participate and be involved	<ul style="list-style-type: none"> review Events Strategy and update Action Plan 	Substantially completed (>70%)

Strategic Indicators	Results
6a) Democratic and engaged communities	<ul style="list-style-type: none"> 27 external agencies engaged in the development of the Family Violence Prevention Strategy 2012-2015 80% customer satisfaction rating with Council's website
6b) Increase in volunteers in Council programs	<ul style="list-style-type: none"> 22 new Home and Community Care volunteers recruited 49 active Home and Community Care volunteers delivered 10,749 service hours 708 of transport volunteer hours delivered 34 active volunteers base at the Melton Visitor Centre

Key: Fully completed

Substantially completed (>70%)

Not fully completed (<70%)

Victorian Local Government Indicators

Year ended 30 June 2013

Category	Indicators	2010-2011	2011-2012	2012-2013
Overall Performance	Community satisfaction rating for overall performance generally of the Council	67	64	58
Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues	64	58	52
Engagement	Community satisfaction rating for Council's engagement in decision making on key local issues	65	61	55
All Rates	Average rates and charges per assessment	1,382	1,502	1,626
Residential Rates	Average residential rates and charges per assessment	1,286	1,370	1,415
Operating Costs	Average operating expenditure per assessment	2,202	2,430	2,363
Capital Expenditure	Average capital expenditure per assessment	409	759	809
Infrastructure	Renewal	41%	46%	12%
	Renewal & maintenance	61%	74%	51%
Debts	Average liabilities per assessment	1,048	1,094	934
Operating Result	Operating result per assessment	1,341	1,049	2,035



Community Grants Program 2012/2013

Community Funding Program

During 2012/2013, Melton City Council provided a number of grants to community groups and projects that would benefit the Community as a whole through its four funding programs.

Grant Category	Organisation/Applicant Name	Program/Activity	Grant Amount
Community Funding Program – Establishment Grant	Divine Youth Group	Establishment Grant	\$2,500.00
	iCare	Establishment Grant	\$2,500.00
	Melton Venturer Unit	Establishment Grant	\$2,500.00
	Sierra Leone Community of Melton	Establishment Grant	\$2,500.00
	Melton Muslim Community	Establishment Grant	\$2,500.00
	Spartans Basketball Club	Establishment Grant	\$2,500.00
	Autism Angels	Establishment Grant	\$2,500.00
	Comfort Play Group	Establishment Grant	\$1,171.00
	Eynesbury Heritage & Museum Group	Establishment Grant	\$2,500.00
	Melton & District Squash Association	Establishment Grant	\$2,498.03
	Melton-Brimbank Men's Health Network	Establishment Grant	\$2,500.00
	Lynda's Hampers	Establishment Grant	\$1,589.00
	Mums N Bubs Group	Establishment Grant	\$2,000.00
	Caroline Springs Seniors Fishing Club	Establishment Grant	\$2,300.00
	Melton Chinese Friendship Association Inc	Establishment Grant	\$2,500.00
	Storm Basketball Club	Establishment Grant	\$2,431.80
Total Establishment Grants			\$36,989.83

Continued overleaf >

Grant Category	Organisation/Applicant Name	Program/Activity	Grant Amount
Community Funding Program – Community Strengthening Grant	Stepping-Up Consortium	Drug Action Week	\$3,915.00
	Friends of The Botanical Gardens	Nursery Stage 2	\$3,922.00
	Melton South Community Centre Inc.	Information, Referral & Display	\$998.00
	Catholic Care	Warrawong Refugee Community Garden Project	\$3,970.00
	Caroline Springs Seniors Group	Surfing Seniors	\$4,000.00
	Lions Club of Melton	Navan Park Lions Club President Memorial Seating	\$4,000.00
	Djerriwarrh Health Services	Linking Melton South	\$4,000.00
	Melton Saints Basketball Association	Melton Saints Basketball	\$2,120.00
	Melton Model Aircraft Association	Portable Toilet	\$2,563.00
	3RIM Inc	New Studio Complex fit-out	\$4,000.00
	Melton Christ Church Community	Free Christmas Day lunch	\$4,000.00
	Vietnam Veterans Assoc. Melton Sub Branch	Explain Australia's History in the Vietnam War	\$3,500.00
	iCare Special Needs Group Inc	Information & Empowering the community & carers	\$2,758.00
	Skate Australia Inc trading as Skateboarding Australia	Skateboarding Hub Program	\$4,000.00
	Eynesbury Heritage Group	Eynesbury Heritage Museum	\$4,000.00
	Christ Church Anglican	Youth and Children's Program	\$4,000.00
	Caroline Springs Animal Welfare Network	Cruelty Free Guide to the West 2013-2014	\$2,250.00
	Semine Gonder Welkait Tsegede Edr Inc	Melton African Cup	\$4,000.00
	Melton Sri Lankan Community Group	Melton Sri Lankan Community Gathering	\$4,000.00
	MG07 Playgroup	Childrens playgroup	\$4,000.00
Melton Star Search	Melton Star Search	\$3,000.00	
	Total Community Strengthening Grants		\$72,996.00
Grant Category	Organisation/Applicant Name	Program/Activity	Grant Amount
Community Funding Program – Partnership Grant	Melton Brimbank Men's Health Network	Melton Mental Health Matters	\$6,500.00
	Blind Sports Victoria	Walking with Willpower Program	\$6,514.00
	Creekside College	CK29 Cycle Aware	\$10,000.00
	New Hope Foundation	Multicultural Homework Program	\$10,000.00
	Brookside College Parents & Friends Committee	Brookside Twilight Market	\$10,000.00
	Total Partnership Grants		\$43,014.00
	Total Community Funding Program		\$152,999.83



Grant Category	Organisation/Applicant Name	Program/Activity	Grant Amount
Community Assistance and Sponsorship Program – Community Contribution and Sponsorship Grant	Variety Christmas Party	Variety Christmas Party	\$1,100.00
	Recognise	The Journey to Reconciliation	\$6,000.00
	Local Indigenous Network Auspiced by Macedon Ranges and North Western Melbourne Medicare Local	Cultural workshops aim to strengthen families and assist Aboriginal community members	\$500.00
	John and Pam Shepheard Variety the Children's Charity	Variety Club	\$500.00
	Volunteer West	Programs to enhance successful Volunteer placement	\$6,000.00
	Western Metro Indigenous Family Violence Regional Action Group	Awareness of family violence services within the Melton municipality	\$6,000.00
	Macedon Ranges and North Western Melbourne Medicare Local	Cultural workshops aim to strengthen families and assist Aboriginal community members	\$7,000.00
	Lions Club of Melton	Convention	\$1,006.30
Total Community Contribution and Sponsorship Grants			\$28,106.30

Grant Category	Organisation/Applicant Name	Program/Activity	Grant Amount
Community Assistance and Sponsorship Program – Resident Achievement Grant	Delia Taylor	State/ Regional Event	\$250.00
	Hannah Taylor	State/ Regional Event	\$250.00
	Chloe Schwarze	State/Regional Event	\$250.00
	Catherine Spooner	State/ Regional Event	\$250.00
	Angelique Krlevski	State/ Regional Event	\$250.00
	Matthew Longhurst	State/ Regional Event	\$250.00
	Charlee Macklin	State/ Regional Event	\$250.00
	Fiona Bloss	State/ Regional Event	\$250.00
	Georgia O'Donovan	Interstate Event	\$500.00
	Gabriel Atienza	Interstate Event	\$500.00
	Angela Molnar	Interstate Event	\$500.00
	Jack Carr	Interstate Event	\$500.00
	Ryan Bagaric	Interstate Event	\$500.00
	Liam Bagaric	Interstate Event	\$500.00
	Elijah Tuigamala	Interstate Event	\$500.00
	Tracy Musk	Interstate Event	\$500.00
	Jack Dent	Interstate Event	\$500.00
Jordan Reeve	Interstate Event	\$500.00	
Peter Reeve	Interstate Event	\$500.00	

Tara Butterworth	Interstate Event	\$500.00
Phoebe McGill	Interstate Event	\$500.00
Alysaa McGill	Interstate Event	\$500.00
Piper Mather-Gidman	Interstate Event	\$500.00
Ruby Guppy	Interstate Event	\$500.00
Daniel Faux	Interstate Event	\$500.00
Jamie Salmon	Interstate Event	\$500.00
Nathan Xuerub	Interstate Event	\$500.00
Shaniya Xuerub	Interstate Event	\$500.00
Melanie Xuerub	Interstate Event	\$500.00
Crystal Bryant	Interstate Event	\$500.00
Madison Lister	Interstate Event	\$500.00
Adam Benca	Interstate Event	\$500.00
Daniel Bryant	Interstate Event	\$500.00
Madelyn Gray	Interstate Event	\$500.00
Victoria Vassallo	Interstate Event	\$500.00
Melton Marching Club	Interstate Event	\$2000.00
Jade Chamley	Interstate Event	\$500.00
Lepeka Nanal	Interstate Event	\$500.00
Leigh Dyson	Interstate Event	\$500.00
Tyson Mihaere	Interstate Event	\$285.00
Kaiaha Tahi	Interstate Event	\$500.00
Phoenix Hunt	Interstate Event	\$500.00
Robert Occhipinti	Interstate Event	\$500.00
Seu Anthony	Interstate Event	\$500.00
Aiden Leheny	Interstate Event	\$500.00
Bailey Felise	Interstate Event	\$285.00
Charmin Vagai	Interstate Event	\$285.00
Christian Suraci	Interstate Event	\$285.00
Elias Lua	Interstate Event	\$285.00
Gary Neil Lear	Interstate Event	\$500.00
Luke Woof	Interstate Event	\$500.00
Noah Panama Afu	Interstate Event	\$285.00
Phoebe Warren	Interstate Event	\$500.00
Samuel Warren	Interstate Event	\$500.00



Zachary Antovski	Interstate Event	\$500.00
Rhys Carter Coleman	Interstate Event	\$500.00
Tobey Courts	Interstate Event	\$450.00
Darcy Courts	Interstate Event	\$450.00
Dilen Ibrahim	Interstate Event	\$500.00
Tyrone Tiata	Interstate Event	\$285.00
Darcy McInerney	International Event	\$750.00
Sarah Spiteri	International Event	\$750.00
Jeremy Roberts	International Event	\$750.00
Joel Hennessy	International Event	\$750.00
Ashley Armstrong	International Event	\$750.00
James MacFadyen	International Event	\$750.00
Daniel Webb	International Event	\$750.00
Gabrielle Mifsud	International Event	\$750.00
Aya Taniguchi	International Event	\$750.00
Renee Hulls	International Event	\$750.00
Alycia Carvalho	International Event	\$750.00
Gemma Tuddenham	International Event	\$750.00
Louis Torney	International Event	\$750.00
Rachel Bentley	International Event	\$750.00
Ashleigh Marshall	International Event	\$750.00
Maryann Barsoum	International Event	\$750.00
Lorenzo Fiu	International Event	\$750.00
Total Resident Achievement Grants		\$40,645.00
Total Community Assistance and Sponsorship Grants		\$68,751.30

SUMMARY	Community Funding Program	\$152,999.83
	Community Assistance and Sponsorship Program	\$68,751.30
	TOTAL Community Funding Program 2012/2013	\$221,751.13

Partner Grant Programs 2012/2013

During 2012/2013, Melton City Council administered a number of grants to community groups and projects that would benefit the Community as a whole through the following:

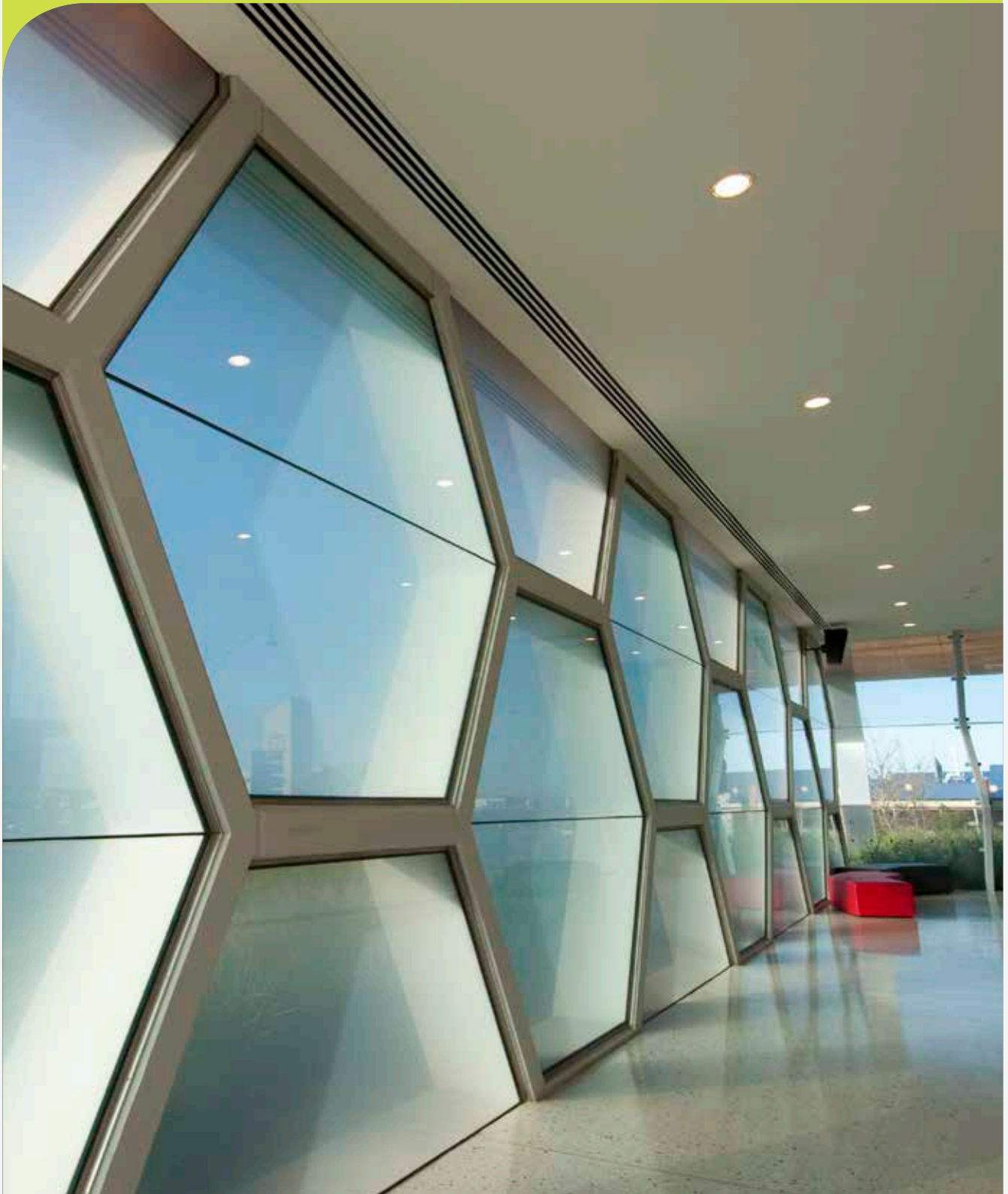
Collingwood Football Club / The Club Community Benefit Program		
Community Benefit Program – Capital/ Infrastructure/ Equipment Grant (Eastern Corridor)	1st Caroline Springs Scout Group	\$1,940.00
	Caroline Springs Fire Brigade	\$7,022.90
	Sunshine George Cross Juniors	\$2,692.00
	Diggers Rest Junior Football Club	\$5,000.00
	The Lions Club of Caroline Springs & District	\$10,000.00
	Diggers Rest Football Netball Club	\$10,000.00
	Burnside Springs United Netball Club Inc	\$4,415.74
	Total Infrastructure Equipment Grants (Eastern Corridor)	\$41,070.64
Community Benefit Program – Capital/ Infrastructure/ Equipment Grant (Melton)	Melton & District Adult Riding Club	\$2,000.00
	Friends of the Melton Botanic Gardens	\$3,127.74
	Willows Quilting Group	\$1,380.00
	Melton Model Aircraft Assoc	\$3,108.88
	The Gap on Graham	\$3,450.00
	Melton Mens Probus Club	\$1,200.00
	Melton Football Club Jnr	\$2,085.00
	Total Infrastructure Equipment Grants (Melton)	\$16,351.62
Community Benefit Program – Community Support (Eastern Corridor)	Burnside Heights Football Club	\$3,000.00
	Springs Network Association	\$1,747.00
	Caroline Springs Seniors Group	\$5,000.00
	Utsav Malayalee Samaj	\$4,700.00
	Macedonia Seniors Group of Hillside	\$3,000.00
	Total Community Support Grants (Eastern Corridor)	\$17,447.00
Community Benefit Program – Community Support (Melton)	Multiple Sclerosis Limited	\$2,995.00
	The Orange Pigeon	\$4,900.00
	Extended Families Australia	\$4,975.00
	Melton Uniting Church Playgroup	\$2,500.00
	Melton Christian Churches	\$3,000.00
	Total Community Support Grants (Melton Balance)	\$18,370.00
Total City of Melton/Collingwood Community Benefit Program		\$93,239.26



Harness Racing Victoria Community Grant Program			
Harness Racing Victoria/ Melton City Council Community Grant Program –Infrastructure/ Equipment Grant	Lions Club Of Melton	Portable Cool Room	\$5,500.00
	Eynesbury Fire Brigade	Equipment	\$685.00
	3RIM Incorporated	Fit out	\$5000.00
	The Gap On Graham	DJ Equipment	\$3,325.00
	Melton South Community Centre	Tables And Chairs	\$490.00
Total Infrastructure/Equipment Grants			\$15,000.00
Harness Racing Victoria/ Melton City Council Community Grant Program – Community Support Grant	Special Olympics Australia	Community Sports Link Program	\$4,000.00
	The Sudanese Community In Melton	Let me learn my Language	\$4,000.00
	3rd Melton Scout Group	Arts And Craft	\$2,410.00
	Melton Muslim Community Inc	Youth Drug Forum	\$4,000.00
	Caroline Chisholm Society	Parenting Group	\$4,000.00
	Melton Swimming Club	24 Hour Swimathon Event	\$1,590.00
Total Community Support Grants			\$20,000.00
Harness Racing Victoria/ Melton City Council Community Grant Program – Welfare Grant	Brookside College	Art Therapy Wellbeing Program	\$5,000.00
	Caroline Springs College Creekside	Wheels	\$5,000.00
	St Dominics Primary	Dance Program	\$5,000.00
Total Welfare Grants			\$15,000.00
Total City of Melton/Harness Racing Victoria Community Grant Program			\$50,000.00

SUMMARY	Community Benefit Program	\$93,239.26
	Harness Racing Victoria/ Melton City Council Community Grant Program	\$50,000.00
	TOTAL Combined Community Grants 2012/2013	\$143,239.26

Audited Statements



V

Performance Statement

For the Year Ended 30 June 2013

Notes to the Performance Statement for the year ended 30 June 2013

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

The Key Strategic Activities are outlined in the Adopted Annual Plan and Budget 2012/2013.

This report provides the actual results achieved for 2012/2013 financial year compared with the performance targets and measures. Where Council has failed to (substantially) achieve the performance targets in relation to any Key Strategic Activity a note is provided as to why the Activity was not achieved.

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Actual Performance	Explanation
Objective 1: Improving health and wellbeing for our diverse community							
1	1.1	Provide respite care at Melbacc House for frail aged and people with a disability	Number of frail aged clients	Quarterly Report to Council	≥ 12	17	Target achieved
			Number of people with a disability		≥ 55	64	
			Total number of respite hours provided		≥ 7500	28,615	
2	1.1	Deliver the Maternal and Child Health service aligned with the State government funding and service agreement	Number of visits	Quarterly Report to Council	≥ 17,900	20,398	Target achieved. 17,602 key ages and stages visits and 2,796 additional consultations.
3	1.2	Offer a range of Planned Activity Groups in locations throughout the municipality	Number of core hours delivered	Quarterly Report to Council	≥ 15,267	14,243	Targets not achieved.
			Number of high care hours delivered		≥ 18,852	18,779	Council provides programs and opportunities, however due to the nature of the cliental they can have short to long term breaks due to health issues.
4	1.2	Deliver the new Saturday Nights !!Live!! Program	Number of events	Quarterly Report to Council	≥ 37	34	Target not achieved due to staff turnover and difficulty in recruiting Youth Officer to work Saturday nights.
5	1.3	Provide centre based and delivered meals to Home and Community Care clients	Number of meals provided	Quarterly Report to Council	≥ 30,000	21,448	Target not achieved. There was less demand for service than target set by Dept of Health.
6	1.3	Deliver Home and Community Care (HACC) service delivery hours for the municipality	Number of domestic assistance hours delivered	Quarterly Report to Council	≥ 22828	17,182	Target not achieved.
			Number of personal care hours delivered		≥ 9883	9004	Less demand for services and staff limitations.
			Number of respite care hours delivered		≥ 8570	5887	
			Number of property maintenance hours delivered		≥ 2250	2178	

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Actual Performance	Explanation
7	1.3	Provide places for family day-care service care providers	Number of care providers	Quarterly Report to Council	≥ 55	45	Target not achieved. Note whilst there a cap of 55, currently there is only 45 care providers registered.
8	1.3	Provide occasional care service to the Melton community	Number of places per week	Quarterly Report to Council	≥ 360	300	Target not achieved. Due to lack demand the number of places offer was revised down to 259 offered, 211 places were utilised.
9	1.3	Provide an early childhood intervention service to the Melton community	Number of children receiving service	Quarterly Report to Council	45	45	Target achieved.
Objective 2: Protecting and enhancing our environment							
10	2.1	Deliver Council's environmental education program to enhance our community's understanding of environmental issues	Number of contacts with community members, environmental organisations and schools	Quarterly Reporting to Council Audit Committee	≥ 20	23 schools (656 contacts)	Target achieved.
11	2.2	Deliver Council's Environmental Enhancement Policy	Percentage of eligible property landowners who retain their rebate	Quarterly Reporting to Council Audit Committee	≥ 94%	96%	Target achieved.
12	3.1	Facilitate investment opportunities through business development events	Number of events held	Quarterly Reporting to Council Audit Committee	≥ 4	4	Target achieved.
			Number of attendees		≥ 500	483	Target not achieved.
13	3.2	Undertake program of training for small businesses throughout the Shire	Number of training programs held for business	Quarterly Reporting to Council Audit Committee	≥ 15	16	Target achieved.
14	3.2	Conduct annual Business Excellence Awards	Number of award entrants	Quarterly Reporting to Council Audit Committee	≥ 40	46	Target achieved.

Audited Statements

KSA #	Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Actual Performance	Explanation
Objective 4: Ensuring our fast growth is well planned and managed, and council's physical assets are well maintained							
15	4.1	Maintain Council Road and Drainage infrastructure in line with Council's Road Asset Management Plan	Compliance as assessed in CMP audit	Quarterly Reporting to Council Audit Committee	≥ 98%	99.64%	Target achieved.
16	4.1	Deliver 2012-13 Capital Works Program	Percentage of projects delivered within budget	Quarterly Reporting to Council Audit Committee	100%	76%	Target not achieved. 68% projects delivered on time. 85% projects delivered within the 3rd quarter forecast.
Objective 5: Leading the organisation and the community through accountability, transparency and advocacy							
17	5.1	Develop the 2013-17 Council Plan	Plan adopted by Council	Council Report	by 30 June 2013	25 June 2013	Target Achieved
18	5.1	Develop the Domestic Animal Management Plan	Plan adopted by Council	Council Report	by 30 June 2013	5 March 2013	Target Achieved
19	5.2	Process planning applications within statutory timeframes and Melton land use regulations	Percentage of planning applications completed within the statutory timeframe - 60 days	Quarterly Reporting to Council Audit Committee	≥ 90%	89	Target not achieved. Within 1% of target.
20	5.3	Administer rate collection	Percentage of rates received on time	Quarterly Reporting to Council Audit Committee	≥ 95%	94.39%	Target not achieved. Due to change to Hardship Policy, allowing more time for residents in difficulty to make payments.
Objective 6: Fostering a well-connected and engaged community							
21	6.2	Coordinate, manage and recruit volunteers across Community Care and Inclusion	Number of new volunteers recruited Number of active volunteers Number of volunteer service hours delivered	Quarterly Reporting to Council Audit Committee	≥ 8 ≥ 25 ≥ 1237	22 49 10,749	Target achieved.
22	6.3	Develop Family Violence Prevention Strategy 2012 - 2015	Strategy adopted by Council Number of external agencies engaged in the strategy development	Council Report	by 31 March 2013	Strategy not yet adopted by Council. 27 external agencies	Target not achieved. With deferral of end date to enable incorporation of Department of Justice funded 'United Project' Action Plan.

Certification of Performance Statement

In our opinion the accompanying performance statement of the Melton City Council in respect of the 2012-2013 financial year is presented fairly in accordance with the Local Government Act 1989.

This statement outlines the performance targets and measures set out in relation to the achievement of the Key Strategic Activities in respect of that year described in the Council's 2012-2013 Annual Budget and described the extent to which the activities have been met in that year having regard to those targets and measures.

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



Thuraiajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 13 September 2013

We were authorised by the Council on 27 August 2013 to certify the performance statement in their final form on behalf of the Council.



Cr. Kathy Majdlik
Mayor

Dated: 13th September 2013



Cr. Bob Turner
Deputy Mayor

Dated: 13th September 2013



Kelvin Tori
Chief Executive Officer

Dated: 13 September 2013



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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melton City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Melton City Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Melton City Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Melton City Council for the year ended 30 June 2013 included both in the Melton City Council's annual report and on the website. The Councillors of the Melton City Council are responsible for the integrity of the Melton City Council's website. I have not been engaged to report on the integrity of the Melton City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
16 September 2013



John Doyle
Auditor-General

Standard Statements

For the Year Ended 30 June 2013

STANDARD INCOME STATEMENT

For the year ending 30 June 2013

	Actual \$'000	Budget \$'000	Variance		Ref
			\$'000	%	
Operating Revenue					
Rates	74,176	74,214	(38)	(0.1)%	
Statutory fees and fines	1,640	1,618	22	1.3%	
User charges	4,763	5,341	(578)	(10.8)%	1
Grants	22,409	22,985	(576)	(2.5)%	2
Contributions & reimbursements	963	865	98	11.4%	3
Other revenue	2,753	3,108	(355)	(11.4)%	4
Interest	1,103	1,934	(831)	(43.0)%	5
Total Operating Revenue	107,808	110,065	(2,257)	(2.1)%	
Operating Expenses					
Employee benefits	36,214	37,086	(872)	(2.4)%	6
Materials and services	52,301	51,505	796	1.5%	7
Bad and doubtful debts	313	0	313	100.0%	8
Depreciation and amortisation	20,369	21,017	(648)	(3.1)%	9
Borrowing costs	1,815	1,819	(4)	(0.2)%	
Total Operating Expenses	111,012	111,427	(416)	(0.4)%	
Underlying Operating Results	(3,204)	(1,362)	(1,842)	135.2%	
Non Operating Income and Expenditure					
Net gain/(loss) on disposal of assets	3,557	5,829	(2,272)	(39.0)%	10
Assets written off	(2,887)	0	(2,887)	100.0%	11
Developer Cash Contributions	7,400	5,273	2,127	40.3%	12
Developer Contributions-Non Monetary	72,281	51,000	21,281	41.7%	13
Capital Grants and Contributions	12,805	6,428	6,377	99.2%	14
Fair value adjustments for investment property	(517)	0	(517)	100.0%	15
Previously unrecognised non-current assets	5,580	0	5,580	100.0%	16
Total Non Operating Income and Expenditure	98,219	68,530	29,689	43.3%	
Gain/(loss) on financial assets	(60)	0	(60)	100.0%	17
Surplus (Deficit) for the Year	94,955	67,168	27,787	41.4%	

STANDARD INCOME STATEMENT

For the year ending 30 June 2013

Variance Explanation Report

Ref	Item	Explanation
1	User charges	The unfavourable variance relates to reduction in subdivision fees (\$243k), construction supervision (\$227k) and property information requests (\$157k). This was a result of slower property growth and downturn in development works. The unfavourable variance was partly offset by unbudgeted election fines, and higher than budgeted income in parking fines.
2	Grants	Changes to the Victoria Grants Commission allocations were advised to Council after the budget had been adopted. The 2012-13 allocations were reduced due to overpayments in the 2011-12 year. Also a number of grants were received in advance in the prior year which has reduced the amounts received in the 2012-13 year.
3	Contributions & reimbursements	Favourable variance due to higher than budgeted insurance recoveries, fire prevention and valuation income items.
4	Other revenue	The unfavourable variance relates to a decrease in the expected tonnages from recyclables processing. The reduced tonnage is a result of lighter packaging materials used by manufacturers.
5	Interest	The unfavourable variance is due to lower than expected average cash balances during the year and lower than expected interest rates. The average cash balances were lower due to the early payment in July of the Defined Benefit Call and the lower than expected sales of land due to adverse market conditions.
6	Employee benefits	Variance to budget due to a number of vacant positions during the year which were not filled.
7	Materials and services	Variance due to increased costs associated with utility prices and contracted staff to fill vacant positions.
8	Bad and doubtful debts	Provision is made for unpaid infringements greater than 12 months old. All attempts are made to recover outstanding debts and therefore these are not budgeted for.
9	Depreciation and amortisation	Variance to budget due to a combination of changes to capitalisation thresholds during the year and major projects carried over to the next financial year.
10	Net gain/(loss) on disposal of assets	Sales of land at Toolern Development have been affected due to adverse market conditions causing sales to be significantly lower than original budget.
11	Assets written off	The value of assets written off are not taken into account in the preparation of the budget.
12	Developer Cash Contributions	The increase from budget is mainly due to contributions received in respect of new estates Taylors Hill West and Waterford.
13	Developer Contributions-Non Monetary	The larger than budgeted contributions are due to many of the new subdivisions being further away from established areas and not having suitable access or collector roads built, examples include Bridge Road, Aspire Boulevard and City Vista Court. This has also contributed to the increase in kerbs, footpaths and drainage assets constructed to support these subdivisions.
14	Capital Grants and Contributions	The unfavourable variance is due to the unbudgeted funding of the Western BACE project of \$3.7m and the early receipt of funding for the Clarkes Road Children's and Community Centre of \$700k and the Atherstone Hub - Multipurpose Community Centre of \$1.5m.
15	Fair value adjustments for investment property	The value of investment property fair value increases/decreases are not taken into account in the preparation of the budget.
16	Previously unrecognised non-current assets	The value of buildings and recreational assets previously unrecognised were not taken into account in the preparation of the budget. Found assets include the Eynesbury Discovery Centre, public conveniences, play equipment, rotunda's and pergola's.
17	Gain/(loss) on financial assets	The gain or loss on financial assets are not taken into account in the preparation of the budget.

STANDARD BALANCE SHEET

As at 30 June 2013

	Actual \$'000	Budget \$'000	Variance \$'000	%	Ref
Current assets					
Cash and cash equivalents	29,488	17,283	12,205	70.6%	18
Trade and other receivables	8,474	6,776	1,698	25.1%	19
Inventories	66	-	66	100.0%	20
Prepayments	123	182	(59)	(32.4)%	21
Other financial assets	2,670	290	2,380	820.6%	22
Non-current assets classified as held for sale	788	1,124	(336)	(29.9)%	23
Total current assets	41,609	25,655	15,954	62.2%	
Non-current assets					
Property, plant and equipment, infrastructure	1,211,280	1,113,944	97,336	8.7%	24
Inventories	186	-	186	100.0%	20
Investment property	6,000	-	6,000	100.0%	25
Financial assets	1,257	-	1,257	100.0%	26
Intangibles	5,320	-	5,320	100.0%	27
Total non-current assets	1,224,043	1,113,944	110,099	9.9%	
Total assets	1,265,652	1,139,599	126,053	11.1%	
Current liabilities					
Payables	11,432	6,607	4,825	73.0%	28
Employee benefits	5,977	5,100	877	17.2%	29
Interest bearing liabilities	6,837	6,838	(1)	(0.0)%	
Other liabilities	966	2,241	(1,275)	(56.9)%	30
Total current liabilities	25,212	20,786	4,426	21.3%	
Non-current liabilities					
Employee benefits	2,101	1,641	460	28.0%	29
Interest bearing liabilities	17,145	17,175	(30)	(0.2)%	
Other liabilities	1,732	3,190	(1,458)	(45.7)%	30
Total non-current liabilities	20,978	22,006	(1,028)	(4.7)%	
Total liabilities	46,190	42,792	3,398	7.9%	
Net assets	1,219,462	1,096,807	122,656	11.2%	
Equity					
Accumulated surplus	777,052	888,821	(111,769)	(12.6)%	
Reserves	442,410	207,986	234,424	112.7%	
Total equity	1,219,462	1,096,807	122,655	11.2%	

STANDARD BALANCE SHEET

As at 30 June 2013

Variance Explanation Report

Ref	Item	Explanation
18	Cash and cash equivalents	Favourable variance due to receipt of grants in advance and unbudgeted capital grants towards the end of the year, refer note 32.
19	Trade and other receivables	Variance due to increases in outstanding rates which have resulted from delays to debt recovery actions. Other increases include Works in Kind of \$536K due from Developers not included in budget figures.
20	Inventories	Inventories for cemetery land had not been budgeted for.
21	Prepayments	The budgeted figure included prepayment of Insurance Premium. The premium was paid in July 2013, the actual figures include prepayments of various Council memberships and licenses.
22	Other financial assets	Contracts of sale for land at Toolern had been signed for stages 1, 2, 4 and Display Village 1 with settlement after balance date. The budgeted figure assumed a lower amount of sales that had not settled at balance date.
23	Non-current assets classified as held for sale	Budgeted for higher amount of blocks at Toolern to be available for sale at year end. Due to adverse market conditions only stages 4 and Display Village 1 have been released in addition to stages 1 and 2.
24	Property, plant and equipment, infrastructure	Budgeted opening balances did not take into account revaluations to property, plant and equipment, infrastructure due to budget preparation finalised before revaluations completed.
25	Investment property	Not included in budgeted balance sheet.
26	Financial assets	Not included in budgeted balance sheet.
27	Intangibles	Not included in budgeted balance sheet.
28	Payables	The variation is due to timing of key contract payments instalments and finalisation of capital works projects.
29	Employee benefits	The employee provisions are higher than budget due to higher than expected opening balances at the beginning of the year.
30	Other liabilities	Variation due to large movements out of moneys held on trust. There were several large payments including \$831k for Aspire Estate - Stage 2 Linea Park.

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2013

	Actual \$'000	Budget \$'000	Variance		Ref
			\$'000	%	
Cash flows from operating activities					
Receipts					
General rates	73,101	74,180	(1,079)	(1.5)%	31
Grants income - operating and capital	34,208	28,785	5,423	18.8%	32
Interest	1,194	1,859	(665)	(35.8)%	33
User charges	4,875	5,816	(941)	(16.2)%	34
Contributions and reimbursements	6,679	7,338	(659)	(9.0)%	
GST refunds	8,074	-	8,074	100.0%	35
Other revenue	3,033	2,800	233	8.3%	
Total receipts	131,164	120,778	10,387	8.6%	
Payments					
Employee costs	(40,370)	(36,736)	(3,634)	9.9%	36
Contractor payments	(32,846)	(28,032)	(4,814)	17.2%	37
Utilities, materials and services	(25,776)	(23,621)	(2,155)	9.1%	38
Finance costs	(1,815)	(1,819)	4	(0.2)%	
Total payments	(100,807)	(90,208)	(10,598)	11.7%	
Net cash provided by operating activities	30,357	30,570	(213)	(0.7)%	
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	4,344	9,542	(5,198)	(54.5)%	39
Payments for property, plant and equipment	(36,837)	(46,236)	9,399	(20.3)%	40
Net cash used in investing activities	(32,493)	(36,694)	4,201	(11.4)%	
Cash flows from financing activities					
Proceeds from borrowings	3,650	3,650	-	0%	
Repayment of borrowings	(7,556)	(7,525)	(31)	0.4%	
Net cash inflow (outflow) from financing activities	(3,906)	(3,875)	(31)	0.8%	
Net increase (decrease) in cash and cash equivalents	(6,042)	(9,999)	3,957	(39.6)%	
Cash and cash equivalents at the beginning of the year	35,530	27,281	8,249	30.2%	
Cash and cash equivalents at the end of the year	29,488	17,282	12,206	70.6%	

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2013

Variance Explanation Report

Ref	Item	Explanation
31	General rates	Due to delays in debt recovery actions on outstanding rates, refer note 19.
32	Grants income - operating and capital	Variance to budget due to the unbudgeted funding of the Western BACE project of \$3.7m and the early receipt of funding for the Clarkes Road Children's and Community Centre of \$700k and the Atherstone Hub - Multipurpose Community Centre of \$1.5m. Refer note 14.
33	Interest	Variance to budget due to reduced cash balances during the year and interest rates, refer note 5.
34	User charges	Decrease due to subdivision fees, construction supervision fees and property information requests due to slow down in property development. Refer note 1.
35	GST refunds	GST refunds not separately identified in the budgeted cash flow.
36	Employee costs	Variance to budget is due to the payment of the Defined Benefits Call not included in the budgeted figures.
37	Contractor payments	Budgeted cash flow figures have not been grossed up to include GST.
38	Utilities, materials and services	Budgeted cash flow figures have not been grossed up to include GST.
39	Proceeds from sale of property, plant and equipment	Cash flows are lower than budget due to lower than expected land sales during the year due to adverse market conditions, refer note 10.
40	Payments for property, plant and equipment	Lower than budget due to number of carried forward capital works for the year, refer notes 41 and 42. Budgeted cash flows have not been grossed up to include GST.

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2013

	Actual \$'000	Budget \$'000	Variance		Ref
			\$'000	%	
Roads	7,667	11,271	(3,604)	(32.0)%	41
Buildings	16,693	21,714	(5,021)	(23.1)%	42
Land	3,476	3,993	(517)	(12.9)%	43
Recreation/Open space	2,261	6,578	(4,317)	(65.6)%	44
Drainage	202	1,050	(848)	(80.8)%	45
Plant and motor vehicles	1,047	900	147	16.3%	46
Furniture and equipment	103	307	(204)	(66.4)%	47
Library Books	456	423	33	7.8%	
Other assets	34	-	34	100.0%	48
Capital works carried forward from prior years	5,846	4,050	1,796	44.3%	49
Total capital works	37,785	50,286	(12,501)	(24.9)%	

Represented by:

Asset renewal	2,420	4,832	(2,412)	(49.9)%
Asset expansion/upgrade	4,485	20,653	(16,168)	(78.3)%
New assets	30,880	24,801	6,079	24.5%
Total capital works	37,785	50,286	(12,500)	(24.9)%

Reconciliation of net movement in property, infrastructure, plant and equipment

	Actual \$'000	Budget \$'000	Variance		Ref
			\$'000	%	
Total capital works	37,785	50,286	(12,501)	(24.9)%	
Asset revaluation movement	-	-	-	100.0%	
Developer Contributions	72,281	51,000	21,281	41.7%	
Depreciation and amortisation	(20,041)	(21,017)	976	(4.6)%	
Written down value of assets sold	(731)	5,829	(6,560)	(112.5)%	
Assets written off	(2,491)	-	(2,491)	100.0%	
Other movements	4,180	-	4,180	100.0%	
Net movement in property, plant and equipment	90,983	86,098	4,885		

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2013

Variance Explanation Report

Ref	Item	Explanation
41	Roads	There have been two major projects delayed during the year, which include Westwood Drive \$1.8m and the Accelerated Road Sealing Program \$800k. Both projects were delayed due to weather conditions and Aboriginal Cultural Heritage and native vegetation issues.
42	Buildings	Variance is due to several projects not yet completed due to factors including land acquisition delays. Projects include Clarkes Road Childrens' and Community Centre \$2.9m, Burnside Heights Children's and Community Centre \$480k, Melton Pistol Club Structures \$371k and the Parkwood Green Childrens' and Community Centre \$367k.
43	Land	The overall decrease is a combination of the following acquisitions. Taylors Hill West open space acquisition of \$3.3m not originally budgeted for is offset by Cienna Estate and Burnside acquisition which will now be provided by Developers via a credit against the land development contributions. Bridge Road and Industrial Land Development have both been delayed due valuation issues and EPA risk related investigations.
44	Recreation/ Open space	The variance is due to Atherstone Recreation Reserve of \$2.9m which will now be delivered by the Developer with a corresponding credit in land development contributions. Arnolds Creek Recreation Reserve of \$1.34m has had construction delays which will now be completed in the 2013/14 year.
45	Drainage	Variance is due to delays to the Minns Road retarding basin development of \$700k. Project has been carried forward to the 2013/14 year.
46	Plant and motor vehicles	Due to the purchase of additional vehicles during the year which had not been budgeted for.
47	Furniture and equipment	Capitalisation Policy threshold for Furniture and Equipment has increased from \$1k to \$5k which has caused a decrease the number of items being capitalised.
48	Other assets	The amount relates to the Melton Solar Walkway which had not been included in the budgeted figures.
49	Capital works carried forward from prior years	The variance to budget is a result of increased expenditure requirements on major projects carried forward including Neale Road construction, duplication of Centenary Avenue and Bus Stop program.

Notes to the Standard Statements for the year ended 30 June 2013

1 Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

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

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

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent or a positive or negative variance of \$250,000. Explanations have not been provided for variations below materiality threshold unless the variance is considered to be material because of its nature.

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

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

Certification of Standard Statements

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



Thurairajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 13 September 2013

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

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

We have been authorised by the Council on 27 August 2013 to certify the standard statements in their final form.



Cr. Kathy Majdlik
Mayor

Dated: 13th September 2013



Cr. Bob Turner
Deputy Mayor

Dated: 13th September 2013



Kelvin Tori
Chief Executive Officer

Dated: 13 September 2013

Melton City Council Financial Report

For the Year Ended 30 June 2013

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Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

COMPREHENSIVE INCOME STATEMENT

For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Income			
Rates and charges	3	74,176	67,784
Statutory fees and fines	4	1,732	1,534
User fees	5	7,236	6,562
Grants - recurrent	6	20,188	21,713
Grants - non-recurrent	6	1,328	1,337
Reimbursements	8	885	905
Other revenue	9	2,263	3,267
Total income		107,808	103,102
Expenses			
Employee benefits	11	36,214	38,175
Materials and services	12	52,301	48,784
Bad and doubtful debts	13	313	226
Depreciation and amortisation	14	20,369	17,909
Finance costs	15	1,815	1,868
Total expenses		111,012	106,962
Net result prior to capital income and asset items		(3,204)	(3,860)
Capital Grants	6	12,805	3,871
Contributions - Cash	7(a)	7,400	6,880
Contributions - Non-Monetary Assets	7(b)	72,281	43,128
Net gain/(loss) on disposal of property, plant and equipment	10	3,557	1,585
Assets written off	10	(2,887)	(4,195)
Fair value adjustments for investment property	23(a)	(517)	(57)
Recognition of previously unrecognised non-current assets	22	5,580	-
Surplus/(deficit)		95,015	47,352
Other comprehensive income			
Net asset revaluation increment(decrement)	29	-	61,590
Financial assets available for sale reserve			
- Gain/(loss) taken to equity	23(b)	(60)	(45)
Total comprehensive result		94,955	108,897

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

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

BALANCE SHEET

As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	29,488	35,530
Trade and other receivables	17	8,597	6,123
Inventories	18	66	97
Land classified as held for sale	19	788	364
Other Assets	20	2,670	2,144
Total current assets		41,609	44,258
Non-current assets			
Property, infrastructure, plant and equipment	21	1,211,280	1,120,297
Inventories	18	186	153
Investment property	23(a)	6,000	6,517
Financial assets	23(b)	1,257	1,317
Intangible assets	24	5,320	5,646
Total non-current assets		1,224,043	1,133,930
Total assets		1,265,652	1,178,188
Liabilities			
Current liabilities			
Payables	25	11,432	8,471
Employee benefits	26	5,977	10,007
Interest bearing liabilities	27	6,837	7,526
Other liabilities	28	966	2,183
Total current liabilities		25,212	28,187
Non-current liabilities			
Employee benefits	26	2,101	2,227
Interest bearing liabilities	27	17,145	20,362
Other liabilities	28	1,732	2,905
Total non-current liabilities		20,978	25,494
Total liabilities		46,190	53,681
Net Assets		1,219,462	1,124,507
Equity			
Accumulated surplus		777,052	684,372
Reserves	29	442,410	440,135
Total Equity		1,219,462	1,124,507

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

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

2013	Note	Total 2013 \$'000	Accumulated Surplus 2013 \$'000	Asset Revaluation Reserve 2013 \$'000	Other Reserves 2013 \$'000
Balance at beginning of the financial year		1,124,507	684,372	418,896	21,239
Comprehensive result		94,955	95,015	-	(60)
Transfers to other reserves	29	-	(13,146)	-	13,146
Transfers from other reserves	29	-	10,811	-	(10,811)
Balance at end of the financial year		1,219,462	777,052	418,896	23,514

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

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

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

CASH FLOW STATEMENT

For the year ended 30 June 2013

	Note	2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		73,101	67,520
Statutory fees and fines		1,249	1,483
User charges		7,960	7,276
Grants received		34,208	27,376
Contributions and reimbursements		6,679	7,785
Interest received		1,194	2,075
Receipt of trust monies		(1,750)	252
Other receipts		449	1,266
Net GST refund/(payment)		8,074	6,449
Payments to suppliers		(58,622)	(56,777)
Payments to employees		(40,370)	(32,722)
Borrowing costs		(1,815)	(1,868)
Net cash provided by (used in) operating activities	30(a)	30,357	30,115
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(36,837)	(31,755)
Proceeds from sale of property, plant and equipment, infrastructure		4,344	247
Net cash provided by (used in) investing activities		(32,493)	(31,508)
Cash flows from financing activities			
Proceeds from borrowings		3,650	4,000
Repayment of borrowings		(7,556)	(3,627)
Net cash provided by (used in) financing activities		(3,906)	373
Net increase (decrease) in cash and cash equivalents		(6,042)	(1,020)
Cash and cash equivalents at the beginning of the financial year		35,530	36,550
Cash and cash equivalents at the end of the financial year	16	29,488	35,530
Non cash financing and investing activities	30(b)		
Financing arrangements	31		
Restrictions on cash assets	32		

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

Introduction

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

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

Note 1 Significant accounting policies

(a) **Basis of Accounting**

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

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

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

(b) **Revenue Recognition**

Rates, grants and contributions

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

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

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

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

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

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

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

Note 1 Significant accounting policies (continued)*User fees and fines*

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

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

Sale of property, plant and equipment, infrastructure

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

Rental

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

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

Interest

Interest is recognised progressively as it is earned.

Dividends

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

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

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

Inventories

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

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

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

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

Road earthworks are not depreciated.

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

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

	2012/2013
Road - Surfacing	20 years
Road - Substructure	10-70 years
Road - Earthworks	N/A
Footpaths	10-70 years
Kerb and Channel	10-70 years
Car Parks	10-70 years
Traffic Management	10-70 years
Bridges	25-100 years
Drainage Works	80-100 years
Recreation Facilities	3-30 years
Other	20-100 years
Plant and machinery	5 years
Buildings	50 years
Furniture and equipment	3-5 years
Land	N/A
Land under roads	N/A
Library assets	10 years

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

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

(f) Borrowing costs

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

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

(g) Recognition and measurement of assets*Acquisition*

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

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

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

	Threshold Limit
	\$
Road - Surfacing	10,000
Road - Substructure	10,000
Road - Earthworks	10,000
Footpaths	10,000
Kerb and Channel	10,000
Car Parks	10,000
Traffic Management	10,000
Bridges	25,000
Drainage Works	25,000
Recreation Facilities	1,000
Other	Nil
Plant and machinery	5,000
Buildings	Nil
Furniture and equipment	5,000
Land	Nil
Land under roads	Nil
Library assets	Nil

Note 1 Significant accounting policies (continued)*Revaluation*

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

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

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

Land under roads

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

(h) Cash and cash equivalents

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

(i) Financial assets

Unlisted shares are available for sale financial assets. Any movement in the carrying value of asset is recognised through comprehensive income.

(j) Investments

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

(k) Accounting for investments in associates

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

(l) Tender deposits

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

(m) Employee benefits*Wages and salaries*

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

Annual leave

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

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

Note 1 Significant accounting policies (continued)*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

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

Classification of employee benefits

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

Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Melton City Council to the relevant superannuation plans in respect to the services of Melton City Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Melton City Council is required to comply with.

(n) Allocation between current and non-current

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

(o) Agreements equally proportionately unperformed

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

(p) Web site costs

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

(q) Goods and Services Tax (GST)

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

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

(r) Impairment of assets

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

(s) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

Note 1 Significant accounting policies (continued)**(t) Non-current assets held for sale**

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

(u) Investment property

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

(v) Financial guarantees

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

Note 1 **Significant accounting policies (continued)**
(w) **New Accounting Standards and Interpretations**

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

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> • Amortised cost – those assets with 'basic' loan features'. • Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). • Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> • Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. • There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. • Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity. 	<p>Periods beginning on or after 1 January 2015</p> <p>The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).</p>	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.</p>

Note 1 Significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 10 Consolidated Financial Statement	<p>The standard introduces a single model of control, which is used to determine whether an investee must be consolidated.</p> <p>The existence of control is determined based on:</p> <ul style="list-style-type: none"> • Power to direct the activities of an investee (irrespective of whether such power is exercised). • Exposure, or rights, to variable returns from its involvement with the investee. • The ability to use its power over the investee to affect the amount of the investor's returns. 	Periods beginning on or after 1 January 2013	<p>The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights.</p> <p>While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries.</p>
AASB 11 Joint Arrangements	<p>AASB 11 classifies all joint arrangements as either joint operations or joint ventures:</p> <ul style="list-style-type: none"> • Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement. • Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below). 	Periods beginning on or after 1 January 2013	The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils.
AASB 12 Disclosure Involvement with Other Entities	<p>AASB 12 requires the disclosure of information to enable users to evaluate:</p> <ul style="list-style-type: none"> • The nature of, and risks associated with, its interests in other entities • The effect of those interests on its financial position, financial performance, and cash flows. AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories: • Significant judgments and assumptions, including how control, joint control, or significant influence has been determined. • Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks. • Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks. • Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks. 	Periods beginning on or after 1 January 2013	The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.

Note 1 Significant accounting policies (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 13 Fair Value Measurement	<p>AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:</p> <ul style="list-style-type: none"> • Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. • Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. • Level 3 – unobservable inputs for the asset or liability. <p>There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>	Periods beginning on or after 1 January 2013	<p>The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place.</p> <p>This standards may assist those councils that have equity investments that are no longer able to be held at cost.</p>
AASB 127 Separate Financial Statement	AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements (see above). It now deals only with the preparation of separate entity financial statements.	Periods beginning on or after 1 January 2013	<p>Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost, or in accordance with AASB 9 Financial Instruments. These changes are not expected to impact significantly on Councils.</p>
AASB 128 Investments in Associates and Joint Ventures	<p>AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements.</p> <p>The standard sets out how the equity method of accounting is to be applied, defines "significant influence," and how impairment is to be tested for investments in associates or joint ventures.</p>	Periods beginning on or after 1 January 2013	<p>Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates.</p> <p>These changes are not expected to impact significantly on Councils.</p>

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Note 2 Underlying Operational Result for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Surplus for the year before other comprehensive income	95,015	47,352
Less Non-operating income		
Capital Grants	12,805	3,871
Contributions - Cash	7,400	6,880
Contributions - Non-Monetary Assets	72,281	43,128
Net gain/(loss) on disposal of property, plant and equipment	3,557	1,585
Fair value adjustments for investment property	(517)	(57)
Recognition of previously unrecognised non-current assets	5,580	-
Add Non-operating expenses		
Assets written off	2,887	4,195
Underlying operational result	(3,204)	(3,860)

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

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

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

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

Note 3 Rates and Charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and improvements. The valuation base used to calculate general rates for 2012/2013 was \$18,374,251,150 (2011/2012 \$15,345,553,132).

The rate in the CIV dollar was:

	2013	2012
General Developed Land	0.0030797	0.0033435
Commercial Developed	0.0049275	0.0050152
Industrial Developed	0.0049275	0.0050152
Rural Living	0.0027717	0.0023404
Retirement Village	0.0026177	0.0028661
Vacant Land	0.0046196	0.0050024
Commercial Vacant Land	0.0061594	0.0058511
Industrial Vacant	0.0061594	0.0058511
Rural	0.0022174	0.0040122
Development Land	0.0030797	0.0056839
Extractive Land	0.0088696	0.0093618
Urban Growth Land	0.0030797	0.0033435

	2013 \$'000	2012 \$'000
General (Including Retirement Village and Urban Growth Land)	50,505	45,844
Commercial	3,344	3,391
Industrial	3,781	3,010
Rural	2,138	2,437
Municipal charge	5,327	4,894
Garbage charge	8,675	7,909
Interest on rates	406	299
	74,176	67,784

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

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

Note 4 Statutory fees and fines

Infringements and costs	837	526
Town planning fees	80	110
Land information certificates	75	73
Permits	506	670
Property Information Requests	234	156
	1,732	1,534

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Note 5	User fees	2013 \$'000	2012 \$'000
	Recreation fees	847	860
	Child care and children's program fees	441	438
	Aged services fees	429	470
	Registration fees	713	692
	Building services fees	140	248
	Youth program fees	63	67
	Infrastructure management fees	534	609
	Valuation fees	271	67
	Health program fees	37	42
	Subdivision fees	763	1,015
	Transfer Station/Recyclable fees	2,186	1,205
	Sundry fees and charges	812	849
		7,236	6,562

Note 6	Grants		
	Grants were received in respect of the following:		
	Recurrent - operational		
	<i>Commonwealth Government</i>		
	Family and children	175	176
	Other	912	750
		1,087	926
	<i>Victorian Grants Commission</i>		
	Unallocated	9,747	12,096
	Local roads	1,516	1,726
		11,263	13,822
	<i>State Government</i>		
	Aged and disability services	3,776	3,556
	Childrens services	1,951	1,731
	Community support and development	877	602
	Environment	9	138
	Community health	89	89
	Roads	-	17
	Libraries	730	638
	Youth Services	46	48
	Other	360	146
		7,838	6,965
	Total recurrent - operational	20,188	21,713

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Note 6

Grants (continued)

	2013 \$'000	2012 \$'000
Non-recurrent - operational		
<i>Commonwealth Government</i>		
Family and children	160	100
Other	146	280
	306	380
<i>State Government</i>		
Aged and disability services	207	148
Business growth and sustainability	48	63
Childrens services	20	114
Community support and development	238	101
Community safety	128	48
Recreation and leisure	18	27
Roads	41	108
Environment	202	290
Family, youth and housing	-	1
Planning and Development	2	19
Other	118	38
	1,022	957
Total non-recurrent - operational	1,328	1,337
Total operational grants	21,516	23,050
Recurrent - capital		
<i>Commonwealth Government</i>		
Roads to Recovery	1,176	602
Non-recurrent - capital		
<i>Commonwealth Government</i>		
	7,373	327
<i>State Government</i>		
	4,256	2,942
Total capital grants	12,805	3,871
Total operational and capital grants received	34,321	26,921
Conditions over grants		
Grants which were recognised as revenues during the year and which were obtained on the condition that they be expended in a specified manner but had yet to be applied in that manner as at the reporting date were:		
Community infrastructure	12,501	7,747
	12,501	7,747
Grants which were recognised as revenues in previous periods and were expended during the current year in the manner specified by the grantor were:		
Community infrastructure	10,587	4,520
	10,587	4,520
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	1,914	3,227

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		2013 \$'000	2012 \$'000
Note 7	Developer contributions		
(a)	Cash		
	Contributed cash	7,289	6,772
	Street lighting	111	108
		7,400	6,880
(b)	Non-Monetary Assets		
	Land	7,810	3,439
	Land under roads	5,424	5,536
	Roads	41,472	24,074
	Drainage	17,143	10,079
	Recreation	432	-
		72,281	43,128
	Total	79,681	50,008
Note 8	Reimbursements		
	Road maintenance	8	35
	Child Care Assistance	877	870
		885	905
Note 9	Other revenue		
	Interest	1,103	2,001
	Home and Community	-	82
	Festival sponsorship	29	93
	Program Revenue	579	676
	Other	552	415
		2,263	3,267

Audited Statements ■ **Melton City Council Financial Report** for the year ended 30 June 2013

Note 10

Disposal of property, plant and equipment

	2013 \$'000	2012 \$'000
<i>Plant, furniture and equipment</i>		
Proceeds from sale of assets	302	234
Written down value of assets sold	(337)	(162)
Profit/(loss) on sale of plant, furniture and equipment	(35)	72
<i>Land and buildings</i>		
Proceeds from sale of assets	-	64
Written down value of assets sold	-	-
Profit/(loss) on sale of land and buildings	-	64
<i>Land held for Resale</i>		
Gross proceeds from sale of assets	9,993	2,093
Less costs incurred by Developer	(5,425)	-
Net proceeds received by Council	4,568	2,093
Written down value of assets sold	(976)	(644)
Profit/(loss) on sale of land held for resale	3,592	1,449
	10,295	2,391
Gross proceeds from sale of assets		
Less costs incurred by Developer	(5,425)	-
Net proceeds received by Council	4,870	2,391
Written down value of assets sold	(1,313)	(806)
Profit/(loss) on sale of assets	3,557	1,585
Assets Written Off		
<i>Land and buildings</i>		
Proceeds from sale of assets	-	-
Written down value of assets written off	(396)	(2,313)
Profit/(loss) on disposal of land and buildings	(396)	(2,313)
<i>Library books</i>		
Proceeds from sale of assets	-	-
Written down value of assets written off	(117)	(63)
Profit/(loss) on disposal of land and buildings	(117)	(63)
<i>Road assets</i>		
Proceeds from sale of assets	-	-
Written down value of assets written off	(2,364)	(1,801)
Profit/(loss) on disposal of land and buildings	(2,364)	(1,801)
<i>Drainage assets</i>		
Proceeds from sale of assets	-	-
Written down value of assets written off	-	(4)
Profit/(loss) on disposal of land and buildings	-	(4)
<i>Other assets</i>		
Proceeds from sale of assets	-	-
Written down value of assets written off	(10)	(14)
Profit/(loss) on disposal of land and buildings	(10)	(14)
Written down value of assets written off	(2,887)	(4,195)

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Note 11 Employee benefits		
Salaries and wages	29,785	26,858
Casual staff	1,267	1,165
Annual leave and long service leave	1,061	1,756
Superannuation	2,766	2,481
Superannuation - Defined benefit call	-	4,527
Other	1,335	1,388
	36,214	38,175
Note 12 Materials and services		
Administrative support	4,906	3,873
Program expenses Youth, Family, Aged and Children Services	2,990	2,951
Contract payments	21,826	20,528
Utilities	3,232	2,745
Garbage collection and disposal	1,672	1,536
Consultants	1,015	1,768
Maintenance	11,421	10,464
Professional fees	1,047	1,224
Audit fees	143	133
Contributions and donations	590	570
Environmental services	1,175	917
Insurances	1,051	885
Council governance	556	273
Civic promotion and planning	180	246
Recreation programs	238	389
Regulatory services	181	180
Health Services	3	19
Transport and vehicle operations	75	83
	52,301	48,784
Note 13 Bad and doubtful debts		
Infringements	182	209
Other	131	17
	313	226
Note 14 Depreciation and amortisation		
Buildings	2,188	1,890
Plant and machinery	747	660
Furniture and equipment	787	791
Library books	310	345
<i>Infrastructure</i>		
Roads and streets	11,420	10,025
Bridges	163	163
Drainage	2,537	2,198
Recreation facilities	1,804	1,417
Others	86	93
Intangible assets	327	327
	20,369	17,909

Audited Statements ■ **Melton City Council Financial Report** for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Note 15	Finance costs	
	1,815	1,868
	1,815	1,868
Note 16	Cash and cash equivalents	
	4	4
	1,118	1,981
	28,366	33,545
	29,488	35,530
	Users of the financial report should refer to Note 32 for details of restrictions on cash assets and Note 34 for details of existing Council commitments.	
Note 17	Trade and Other Receivables	
	<i>Current</i>	
	4,214	3,140
	397	268
	5,000	3,333
	(1,113)	(808)
	99	190
	8,597	6,123
	8,597	6,123
Note 18	Inventories	
	<i>Current</i>	
	66	97
	<i>Non-current</i>	
	186	153
	252	250
Note 19	Land classified as held for sale	
	364	-
	1,400	1,008
	(976)	(644)
	788	364
Note 20	Other assets	
	<i>Current</i>	
	2,670	2,144
	2,670	2,144

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

Note 21 Property, infrastructure, plant and equipment

	2013 \$'000	2012 \$'000
Land		
At fair value	285,242	286,642
At cost	10,915	-
	296,157	286,642
Land under roads		
At cost	20,057	14,262
	20,057	14,262
Buildings		
At fair value	104,692	105,674
At cost	27,555	-
Less accumulated depreciation	(34,122)	(30,951)
	98,125	74,723
Plant and machinery		
At cost	4,480	4,136
Less accumulated depreciation	(2,075)	(1,693)
	2,405	2,443
Furniture and equipment		
At cost	11,345	11,151
Less accumulated depreciation	(10,174)	(9,387)
	1,171	1,764
Library books		
At Cost	4,110	4,021
Less accumulated depreciation	(2,014)	(1,956)
	2,096	2,066
Infrastructure assets		
<u>Roads - Surfacing</u>		
At cost	9,246	-
At fair value	76,332	77,273
Less accumulated depreciation	(22,182)	(17,843)
	63,396	59,430
<u>Roads - Substructure</u>		
At cost	17,640	-
At fair value	243,960	244,839
Less accumulated depreciation	(22,309)	(19,365)
	239,291	225,474
<u>Roads - Earthworks</u>		
At cost	4,123	-
At fair value	57,812	58,161
	61,935	58,161

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

Note 21 Property, infrastructure, plant and equipment (continued)

	2013 \$'000	2012 \$'000
Infrastructure assets		
<u>Kerb and Channel</u>		
At cost	4,464	-
At fair value	70,513	70,513
Less accumulated depreciation	(13,693)	(12,396)
	61,284	58,117
<u>Traffic Management</u>		
At cost	6,350	675
At fair value	29,291	29,427
Less accumulated depreciation	(3,056)	(2,300)
	32,585	27,802
<u>Car Parks</u>		
At cost	1,136	-
At fair value	3,680	3,680
Less accumulated depreciation	(1,540)	(944)
	3,276	2,736
<u>Footpaths</u>		
At cost	11,177	-
At fair value	86,568	86,662
Less accumulated depreciation	(24,151)	(22,702)
	73,594	63,960
<u>Bridges</u>		
At cost	1,817	1,528
At fair value	8,306	8,306
Less accumulated depreciation	(3,170)	(3,007)
	6,953	6,827
<u>Drainage works</u>		
At cost	17,422	-
At fair value	231,901	231,901
Less accumulated depreciation	(34,101)	(31,565)
	215,222	200,336
<u>Recreation facilities</u>		
At cost	10,451	4,099
At fair value	25,389	25,389
Less accumulated depreciation	(14,305)	(11,029)
	21,535	18,459
<u>Others</u>		
At cost	34	-
At fair value	2,890	2,943
Less accumulated depreciation	(1,095)	(1,053)
	1,829	1,890
<u>Works in progress</u>		
Buildings at cost	909	5,541
Roads at cost	6,764	9,154
Bridges at cost	1,662	-
Recreation facilities at cost	1,034	510
	10,369	15,205

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

Note 21 Property, infrastructure, plant and equipment (continued)

	2013 \$'000	2012 \$'000
Summary		
At cost	152,634	40,815
At fair value	1,246,633	1,245,672
Less accumulated depreciation	(187,987)	(166,191)
Total infrastructure, property, plant and equipment	1,211,280	1,120,297

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

Note 22 Reconciliation of non-current asset carrying amounts for the year ended 30 June 2013

Asset class	WDV at end of previous period	Additions: Purchases	Transfers	Developer contributed assets	Disposals (decrements)	Net revaluation increments/ (decrements)	Depreciation expense	Movements in Assets Available for Sale	Other Movements	Balance at end of the year
Land	286,642	3,105	-	7,810	-	-	-	(1,400)	-	296,157
Land Under Roads	14,262	371	-	5,424	-	-	-	-	-	20,057
Buildings	74,723	16,673	6,229	-	(396)	-	(2,188)	-	3,084	98,125
Plant & Machinery	2,443	1,047	-	-	(337)	-	(747)	-	-	2,405
Furniture & Equipment	1,764	194	-	-	-	-	(787)	-	-	1,171
Library Books	2,066	456	-	-	(117)	-	(310)	-	-	2,096
Infrastructure										
Roads - Surfacing	59,430	2,771	454	6,023	(915)	-	(4,366)	-	-	63,396
Roads - Substructures	225,474	1,654	1,735	14,251	(875)	-	(2,948)	-	-	239,291
Roads - Earthworks	58,162	354	480	3,288	(349)	-	-	-	-	61,935
Footpaths	63,960	2,640	48	8,490	(95)	-	(1,449)	-	-	73,594
Kerb and Channel	58,117	267	156	4,041	-	-	(1,297)	-	-	61,284
Car Parks	2,735	-	-	1,136	-	-	(596)	-	-	3,276
Traffic Management	27,802	-	1,431	4,245	(130)	-	(763)	-	-	32,585
Bridges	6,827	-	289	-	-	-	(163)	-	-	6,953
Drainage	200,336	279	-	17,143	-	-	(2,537)	-	-	215,222
Recreation	18,459	1,459	495	430	-	-	(1,804)	-	2,496	21,535
Others	1,890	34	-	-	(10)	-	(86)	-	-	1,829
WIP	15,205	6,481	(11,317)	-	-	-	-	-	-	10,369
Total	1,120,297	37,785	-	72,281	(3,224)	-	(20,041)	(1,400)	5,580	1,211,280

* Recognition of previously unrecognised building and recreational assets.

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

2012	WDV at end of previous period	Additions: Purchases	Transfers	Developer contributed assets	Disposals (decrements)	Net revaluation increments/ (decrements)	Depreciation expense	Movements in Assets Available for Sale	Other Movements	Balance at end of the year
	\$'000	\$'000	\$'000	(Note 7)	(Note 10)	(Note 29)	(Note 14)	(Note 19)	\$'000	\$'000
Asset class	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	274,058	-	-	3,439	-	10,153	-	(1,008)	-	286,642
Land Under Roads	8,126	140	460	5,536	-	-	-	-	-	14,262
Buildings	70,805	6,799	2,464	-	(2,310)	(1,145)	(1,890)	-	-	74,723
Plant & Machinery	2,135	1,130	-	-	(162)	-	(660)	-	-	2,443
Furniture & Equipment	1,901	654	-	-	-	-	(791)	-	-	1,764
Library Books	2,070	405	-	-	(64)	-	(345)	-	-	2,066
Infrastructure										
Roads - Surfacing	46,699	3,935	430	3,294	(249)	9,877	(4,556)	-	-	59,430
Roads - Substructures	205,121	468	411	9,666	(1,189)	13,709	(2,712)	-	-	225,474
Roads - Earthworks	55,646	189	160	2,359	(323)	130	-	-	-	58,162
Footpaths	65,431	164	-	4,522	(29)	(4,832)	(1,296)	-	-	63,960
Kerb and Channel	35,597	244	-	2,052	(12)	21,116	(880)	-	-	58,117
Car Parks	2,688	311	241	-	(1)	(411)	(93)	-	-	2,735
Traffic Management	25,832	278	-	2,181	-	-	(489)	-	-	27,802
Bridges	6,990	-	-	-	-	-	(163)	-	-	6,827
Drainage	179,167	299	-	10,079	(4)	12,993	(2,198)	-	-	200,336
Recreation	15,776	4,066	34	-	-	-	(1,417)	-	-	18,459
Others	1,887	111	-	-	(14)	-	(93)	-	-	1,890
WIP	4,332	15,073	(4,200)	-	-	-	-	-	-	15,205
Total	1,004,261	34,266	-	43,128	(4,357)	61,590	(17,583)	(1,008)	-	1,120,297

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	2013 \$'000	2012 \$'000
Note 23 (a) Investment property		
Opening balance	6,517	6,574
Transfers to land and buildings	-	-
Additions	-	-
Revaluation Increment/(Decrement)	(517)	(57)
Total	6,000	6,517

Valuation of investment property has been determined in accordance with an independent valuation by Landlink-Opteon who has recent experience in the location and category of the property being valued. Valuations were conducted as at 30 June 2013.

Note 23 (b) Financial assets

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

Unlisted shares - Regional Kitchen Pty Ltd

Council's share of accumulated surplus(deficit):

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

Movement in carrying value of specific investment

Carrying value of investment at start of year	1,317	1,362
Share of surplus(deficit) for year	(60)	(45)
Adjustment to Council's equity share	-	-
Carrying value of investment at end of year	1,257	1,317

Council's share of expenditure commitments

Operating commitments	42	42
	42	42

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Note 24 Intangible assets

	2013 \$'000	2012 \$'000
Non-Exclusive Licences - Caroline Springs College Creekside Campus	937	1,024
- Springside Childrens and Community Centre	1,593	1,677
- Koroiot Creek Early Learning Centre	2,790	2,945
	5,320	5,646

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 the 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 Koroiot Creek facilities.

Amortisation of the licence is expensed over the term of the licence until the 30 June 2029 (Springside) and 30 June 2031 (Koroiot Creek).

	Non Exclusive Licences 2013	Total 2013
Gross carrying amount		
Balance at 1 July 2011	6,540	6,540
Additions	-	-
Balance at 1 July 2012	6,540	6,540
Additions	-	-
Balance at 30 June 2013	6,540	6,540
Accumulated amortisation and impairment		
Balance at 1 July 2011	(566)	(566)
Amortisation expense	(327)	(327)
Balance at 1 July 2012	(893)	(893)
Amortisation expense	(327)	(327)
Balance at 30 June 2013	(1,220)	(1,220)
Net book value at 30 June 2012	5,646	5,646
Net book value at 30 June 2013	5,320	5,320

Note 25 Payables

	2013 \$'000	2012 \$'000
Creditors	6,598	5,815
Accrued Expense	4,834	2,656
	11,432	8,471

Audited Statements ■ **Melton City Council Financial Report** for the year ended 30 June 2013**Note 26 Employee benefits**

	2013 \$'000	2012 \$'000
<i>Current (i)</i>		
Annual leave	2,716	2,526
Long service leave	3,261	2,954
Superannuation - additional contribution (note 33)	-	4,527
	5,977	10,007
<i>Non-current</i>		
Long service leave	2,101	2,227
	2,101	2,227
Total employee benefits	8,078	12,234

Annual leave

It is expected that \$2,437,081 of the liability is to be settled no more than 12 months after the reporting date. This is measured at nominal value. It is expected that \$279,248 of the liability is to be settled more than 12 months after the reporting date. This is measured at present value.

Long service leave

It is expected that \$349,032 of the liability is to be settled no more than 12 months after the reporting date. This is measured at nominal value. It is expected that \$5,012,481 of the liability is to be settled more than 12 months after the reporting date. This is measured at present value.

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

Weighted average increase in employee costs	4.500%	4.313%
Weighted average discount rates	3.790%	3.058%
Weighted average settlement period	12	12

(i) Current

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

Note 27 Interest bearing liabilities

<i>Current</i>		
Loans - secured	6,837	7,526
	6,837	7,526
<i>Non-current</i>		
Loans - secured	17,145	20,362
	17,145	20,362
Total interest-bearing liabilities	23,982	27,888

The maturity profile for Council's borrowings is:

Not later than one year	6,837	7,526
Later than one year and not later than five years	17,145	18,903
Later than five years	-	1,459
	23,982	27,888

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

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Note 28	Other liabilities	2013 \$'000	2012 \$'000
	<i>Current</i>		
	Maintenance Bonds	853	1,430
	Construction retention monies	113	753
		966	2,183
	<i>Non-current</i>		
	Maintenance Bonds	1,732	2,905
		1,732	2,905
		2,698	5,088

Note 29	Reserves		
	(a) Asset revaluation surplus		
	Balance at beginning of reporting period	418,896	357,306
	Increment (decrement)	-	61,590
	Balance at end of reporting period	418,896	418,896
	(b) Other reserves		
	Balances		
	Street trees/drainage	803	781
	Community infrastructure	20,748	18,834
	Asset replacement	1,537	1,173
	Perpetual Maintenance	112	109
	Public Art	86	54
	Available for Sale Financial Assets	228	288
	Total other reserves	23,514	21,239
	Total reserves	442,410	440,135

Movements

	Opening balance \$'000	Movement \$'000	Closing balance \$'000
Net movement in asset valuations			
Land	193,685	-	193,685
Buildings	1,576	-	1,576
Roads	150,059	-	150,059
Bridges	2,067	-	2,067
Drains	67,780	-	67,780
Recreation	3,099	-	3,099
Other	630	-	630
Total	418,896	-	418,896

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Note 29	Reserves (continued)	2013 \$'000	2012 \$'000
	<u>Street trees/drainage</u>		
	<i>Developer contributions for provision of drainage assets and street beautification</i>		
	Balance at beginning of the financial year	781	909
	Transfer from accumulated surplus	22	46
	Transfer to accumulated surplus	-	(174)
	Balance at end of the financial year	803	781
	<u>Community infrastructure</u>		
	<i>Provision of community infrastructure in developing subdivisions</i>		
	Balance at beginning of the financial year	18,834	15,607
	Transfer from accumulated surplus	12,501	7,747
	Transfer to accumulated surplus	(10,587)	(4,520)
	Balance at end of the financial year	20,748	18,834
	<u>Asset replacement</u>		
	<i>Provision for ongoing replacement of plant and equipment</i>		
	Balance at beginning of the financial year	1,173	997
	Transfer from accumulated surplus	364	1,043
	Transfer to accumulated surplus	-	(867)
	Balance at end of the financial year	1,537	1,173
	<u>Perpetual Maintenance</u>		
	<i>Provision for cemetery perpetual maintenance</i>		
	Balance at beginning of the financial year	109	104
	Transfer from accumulated surplus	3	5
	Transfer to accumulated surplus	-	-
	Balance at end of the financial year	112	109
	<u>Public Art Reserve</u>		
	<i>Provision for public art</i>		
	Balance at beginning of the financial year	54	39
	Transfer from accumulated surplus	256	38
	Transfer to accumulated surplus	(224)	(23)
	Balance at end of the financial year	86	54
	<u>Available for Sale Financial Assets</u>		
	<i>Provision for movements in available for sale financial assets (Regional Kitchen Refer 23 (b))</i>		
	Balance at beginning of the financial year	288	333
	Gain taken to equity	-	-
	Loss taken to equity (note 23(b))	(60)	(45)
	Balance at end of the financial year	228	288

Audited Statements ■ Melton City Council Financial Report for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Note 30(a) Reconciliation of operating result with net cash from operations		
Surplus for the year	95,015	47,352
Depreciation and amortisation	20,369	17,909
Developer contributed assets included as revenue	(72,281)	(43,128)
(Profit)/loss on disposal property, plant and equipment	(671)	2,610
Fair value adjustments for investment property	517	57
Recognition of previously unrecognised non-current assets	(5,580)	-
Change in assets and liabilities		
(Increase)/decrease in rate debtors	(1,074)	(265)
(Increase)/decrease in other receivables	(1,400)	189
(Increase)/decrease in other assets	(526)	(2,144)
(Increase)/decrease in land held for resale	(424)	(364)
Increase/(decrease) in payables	2,962	2,447
Increase/(decrease) in provisions and other payables	(6,547)	5,352
(Increase)/decrease in inventories	(3)	101
Net cash provided by operating activities	30,357	30,115
Note 30(b) Non-cash financing and investing activities		
During the reporting period, Council acquired property with an aggregate fair value of \$72,280,054 by means of developer contributions (2011/2012 \$43,128,618). These acquisitions are not reflected in the Cash Flow Statement.		
Note 31 Financing arrangements		
Bank overdraft		
Facility available	1,900	1,900
Unused facility	1,900	1,900
Bank overdraft facilities could be drawn at any time as per the existing banking agreement.		
Note 32 Restricted assets		
Council has cash and cash equivalents (Note 16) that are subject to restrictions. As at the reporting date, Council has legislative restrictions and has made other commitments to set aside funds, in relation to developer contributed reserve funds.		
Reserve Funds	23,514	21,239
Other restricted asset include:		
- Trust funds (note 28)	2,698	5,088
	26,212	26,327

Note 33 Superannuation**Post - Employment Benefit**

Melton City Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Melton City Council and the Melton City Council's legal or constructive obligation is limited to these contributions.

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

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2013, this was 9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25%, and will progressively increase to 12% by 2019.

Defined Benefit Plan

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

Melton City Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Melton City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of the members' salaries (9.25% in 2011/12).

In addition, Melton City Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Melton City Council is also required to make additional contributions to cover the contributions tax payable on the contributions referred to the above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding the contribution tax) in the defined benefit category of which Melton City Council is a contributing employer. Melton City Council was made aware of the expected short fall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012.

Melton City Council has not been advised of any further adjustments.

The projected value of Melton City Council's contribution to the shortfall at 30 June 2012 (excluding contributions tax) amounted to \$4,527,369 which was accounted for in the 2011/12 Comprehensive Income Statement within Employee Benefits (see Note 11) and in the Balance Sheet in Current Liabilities Provisions (see Note 26).

Melton City Council received an early payment discount of \$264,652 and this has been accounted for in the 2012-13 Comprehensive Operating Statement within Employee Benefits (see Note 11) and in the Balance Sheet in Current Liabilities Provisions (see Note 26)

Note 33 Superannuation (continued)

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Melton City Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

The amount of the unpaid shortfall at 30 June 2013 is \$0 (\$4,527,369 2011/12). Any unpaid amount is included in the Balance Sheet in Current Liabilities Provisions (see Note 26).

Retrenchment increments

During 2012-13, Melton City Council was not required to make payments to the Fund in respect of retrenchment increments (\$0 in 2011/12). Melton City Council's liability to the Fund as at 30 June 2013, for retrenchment increments, accrued interest and tax is \$0 (\$0 in 2011/12).

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31-Dec-11 \$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)

Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	\$4,838,503
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The financial assumptions used to calculate the Accrued Benefits for the defined category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

Superannuation contributions

Details of contributions to the superannuation fund during the year and contributions payable at 30 June 2013 are as follows:

Scheme	Type of scheme	Rate	2013 \$'000	2012 \$'000
Vision Super	Defined benefits	9.25%	238	245
Vision Super	Accumulation Plan	9.00%	2,528	2,236

There were \$101,608 contributions outstanding and \$0 loans issued from or to the above schemes as at 30 June 2013.

Audited Statements ■ **Melton City Council Financial Report** for the year ended 30 June 2013**Note 34 Commitments for capital and other expenditure**

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

	2013 \$'000	2012 \$'000
Garbage collection and kerbside recycling	31,164	34,922
Health services and cleaning services	779	1,490
Corporate Services	835	732
Parks maintenance services	17,687	10,048
Road maintenance	21,713	23,448
Recycling facility operations	10,278	14,528
Building Services	2,620	16,230
Leisure Services	501	552
IT Services	120	445
Social	165	-
	85,862	102,395

These expenditures are due for payment:

Not later than one year	27,046	37,839
Later than one year and not later than five years	58,816	58,667
Later than five years	-	5,889
	85,862	102,395

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

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

Contingent assets

Developer contributions to be received in respect of estates currently under development is in the range of \$50m to \$55m. (2011/12, \$50m to \$55m).

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

Recognised Financial Instruments	Accounting Policy	Terms and Conditions
Financial assets		
Cash and cash equivalents	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of between 3.00% to 3.50% (3.50% to 4.75% in 2011/2012). The interest rate at balance date was 3.25% (3.50% in 2011/2012).
	Interest is recognised as it accrues.	Funds returned fixed interest rate of between 3.96% to 4.50% (4.50% to 6.25% in 2011/2012) net of fees.
	Investments are held to maximise interest returns of surplus cash.	
	Term deposit, bank bills and managed funds are measured at cost.	
Trade and other receivables		
Other debtors	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10.5% (10.5% in 2011/2012). Credit terms are based on 30 days.
Financial liabilities		
Trade and other payables	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.
Interest-bearing loans and borrowings	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.61% during 2012/2013 (6.65% 2011/2012).
Bank overdraft	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate on available overdraft facility was 8.55% during 2012/2013 (9.49% in 2011/2012). The interest rate as at balance date was 8.22% (8.87% in 2011/2012).

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

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

2013	Floating Interest Rate	Fixed Interest Maturing in:			Non-Interest Bearing	Total	Average Interest Rate	
		1 year or less	Over 1 to 5 years	More than 5 years			floating	fixed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial assets								
Cash assets	1,118	28,366	-	-	4	29,488	3.25%	4.23%
Receivables	-	-	-	-	8,597	8,597	-	-
Available for Sale	-	-	-	-	1,257	1,257	-	-
	1,118	28,366	-	-	9,858	39,342		
Financial liabilities								
Payables	-	-	-	-	11,432	11,432	-	-
Int. bearing liabilities	-	6,837	17,145	-	-	23,982	-	6.61%
Trust funds	-	-	-	-	2,697	2,697	-	-
	-	6,837	17,145	-	14,129	38,111		

2012	Floating Interest Rate	Fixed Interest Maturing in:			Non-Interest Bearing	Total	Average Interest Rate	
		1 year or less	Over 1 to 5 years	More than 5 years			floating	fixed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial assets								
Cash assets	1,981	33,545	-	-	4	35,530	3.50%	5.81%
Receivables	-	-	-	-	6,123	6,123	-	-
Available for Sale	-	-	-	-	1,317	1,317	-	-
	1,981	33,545	-	-	7,444	42,970		
Financial liabilities								
Payables	-	-	-	-	8,471	8,471	-	-
Int. bearing liabilities	-	7,526	18,903	1,459	-	27,888	-	6.65%
Trust funds	-	-	-	-	5,088	5,088	-	-
	-	7,526	18,903	1,459	13,559	41,447		

Note 36 Financial instruments (continued)**(c) Net fair value of financial assets and liabilities**

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

	2013		2012	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash assets	29,488	29,488	35,530	35,530
Receivables	8,597	8,597	6,123	6,123
Available for Sale	1,257	1,257	1,317	1,317
	39,342	39,342	42,970	42,970
Financial liabilities				
Payables	11,432	11,432	8,471	8,471
Int. bearing liabilities	23,982	23,982	27,888	27,888
Trust funds	2,697	2,697	5,088	5,088
	38,111	38,111	41,447	41,447

(d) Credit risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

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

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

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

Note 36 Financial instruments (continued)**Credit risk**

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

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

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

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

	2013 \$'000	2012 \$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	808	695
New Provisions recognised during the year	313	220
Amounts already provided for and written off as uncollectible	(8)	(107)
Balance at end of year	1,113	808

Ageing of Trade and Other Receivables

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

	2013 \$'000	2012 \$'000
Current (not yet due)	2,167	2,067
Past due by up to 30 days	2,803	1,476
Past due between 31 and 180 days	1,621	783
Past due between 181 and 365 days	1,247	890
Past due by more than 1 year	1,872	1,713
Total Trade & Other Receivables	9,710	6,929

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,113,232 (2012: \$807,630) were impaired. The amount of the provision raised against these debtors was \$1,113,232 (2012: \$807,630). The individually impaired debtors relate to general and sundry and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

	2013 \$'000	2012 \$'000
The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	80	-
Past due by more than 1 year	1,033	808
Total Trade & Other Receivables	1,113	808

Note 36 Financial instruments (continued)**Liquidity risk**

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities.

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

2013	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	11,432	-	-	-	-	11,432	11,432
Trust funds and deposits	483	483	1,732	-	-	2,698	2,698
Interest-bearing loans	2,244	5,732	4,105	14,465	145	26,691	23,982
Total financial liabilities	14,159	6,215	5,837	14,465	145	40,821	38,112
2012	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	8,471	-	-	-	-	8,471	8,471
Trust funds and deposits	1,092	1,092	2,904	-	-	5,088	5,088
Interest-bearing loans	2,790	6,551	7,912	12,917	3,136	33,307	27,888
Total financial liabilities	12,353	7,643	10,816	12,917	3,136	46,865	41,447

Note 36 Financial instruments (continued)**(e) Sensitivity disclosure analysis**

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 4.23%.

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

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	-2%	basis points	1%	basis points
		-200	Equity	100	Equity
	Profit	Equity	Profit	Equity	
	\$'000	\$'000	\$'000	\$'000	\$'000
2013					
Financial assets:					
Cash and cash equivalents	29,484	(590)	(590)	295	295

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	-2%	basis points	1%	basis points
		-200	Equity	100	Equity
	Profit	Equity	Profit	Equity	
	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Financial assets:					
Cash and cash equivalents	35,526	(711)	(711)	355	355

Note 37 Related party transactions**(a) Names of persons holding the position of a responsible person at the Melton City Council during the reporting period are:****Councillors**

21 October 2001 - Current	Sophie Ramsey
21 October 2001 - 27 October 2012	Gary Stock
1 December 2004 - Current	Renata Cugliari
1 December 2004 - 27 October 2012	Justin Mammarella (Mayor 2 December 2009 - 27 October 2012)
10 December 2008 - Current	Broden Borg
10 December 2008 - Current	Kathy Majdlik (Mayor 1 November 2012 - Current)
10 December 2008 - Current	Bob Turner
1 November 2012 - Current	Lara Carli
1 November 2012 - Current	Nola Dunn

Chief Executive Officer

November 2010 - Current	Kelvin Tori
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Note 37 Related party transactions (continued)**(b) Remuneration of responsible persons**

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

	2013 No.	2012 No.
\$1 to \$9,999	1	-
\$10,000 to \$19,999	1	-
\$20,000 to \$29,999	6	6
\$70,000 to \$79,999	1	-
\$80,000 to \$89,999	-	1
\$320,000 to \$329,999	-	1
\$330,000 to \$339,999	1	-
	10	8

	2013 \$'000	2012 \$'000
Total remuneration for the reporting year for Responsible Persons included above amounted to:	581	564

(c) Senior officers remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130,000. The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2013 No.	2012 No.
< \$130,000	-	8
\$130,000 to \$139,999	1	5
\$140,000 to \$149,999	12	4
\$150,000 to \$159,999	4	1
\$200,000 to \$209,999	-	1
\$210,000 to \$219,999	1	-
\$220,000 to \$229,999	-	2
\$230,000 to \$239,999	2	-
	20	21

	2013 \$'000	2012 \$'000
Total remuneration for the reporting period for Senior officers included above, amounted to	3,152	2,844

(d) Retirement benefits

Retirement benefits paid by the Council in connection with the retirement of responsible persons of the Council amounted to \$0. (2011/2012 - \$0)

(e) Loans

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

(f) Other transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2011/12, Nil)

Audited Statements ■ **Melton City Council Financial Report** for the year ended 30 June 2013**Note 38 Auditor's remuneration**

	2013 \$'000	2012 \$'000
Audit fee to conduct external audit - Victorian Auditor-General	49	49
	49	49
Internal audit fees - Crowe Horwath	87	78
	87	78

Note 39 Subsequent Events

There have been no subsequent events since balance.

Note 40 Income and expenses by function

	Corporate and Executive Services		Community		Planning and Development		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME								
Grants	12,469	13,609	8,391	8,758	13,461	4,554	34,321	26,921
Other	162,892	125,565	3,181	2,329	9,038	3,751	175,111	131,645
TOTAL	175,361	139,174	11,572	11,087	22,499	8,305	209,432	158,566
EXPENSES	45,839	50,367	26,889	24,074	41,689	36,773	114,417	111,214
SURPLUS (DEFICIT) FOR THE YEAR	129,522	88,807	(15,317)	(12,987)	(19,190)	(28,468)	95,015	47,352

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

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

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

Organisational Development	Compliance
Customer Engagement	Learning Communities
Finance	Information Services

Community Services

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

Community Infrastructure	Community Care and Inclusion
Community Planning	Learning Communities
Children Services	Information Services

Planning and Development

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

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

Note 41 Financial ratios

		2013	2012	2011
(a) Debt servicing ratio <u>Debt servicing costs</u> Total rate revenue	To identify the capacity of Council to service its outstanding debt. Debt servicing costs refer to the payment of interest on loan borrowings. The ratio expresses the amount of interest paid as a % of Council's total rate revenue.	2.45%	2.76%	3.08%
(b) Debt commitment ratio <u>Debt servicing & redemption costs</u> Total rate revenue	To identify Council's debt redemption strategy. The strategy involves the payment of loan principal and interest. The ratio expresses the % of rate revenue utilised to pay interest and redeem debt principal.	12.63%	8.11%	9.06%
(c) Revenue ratio <u>Total rate revenue</u> Total revenue	To identify Council's dependence on rate income. The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.	36.39%	42.75%	38.87%
(d) Debt exposure ratio <u>Total indebtedness</u> Total realisable assets	Enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of the Council. Total realisable assets are all Council assets not subject to any restriction and are able to be realised.	10.32%	13.12%	11.56%
(e) Working capital ratio <u>Current assets</u> Current liabilities	To assess Council's ability to meet current commitments The ratio expresses the level of current assets the Council has available to meet its current liabilities.	1.65 to 1	1.57 to 1	2.45 to 1
(f) Adjusted Working capital ratio <u>Current assets</u> Current liabilities	To assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities. Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.	1.90 to 1	1.75 to 1	2.90 to 1

Note 42

Capital Expenditure**Capital expenditure areas**

		2013 \$'000	2012 \$'000
Roads		12,263	14,413
Drainage		279	299
Recreation		2,464	4,480
Buildings		17,572	12,634
Other Infrastructure		34	111
Plant and equipment		1,047	1,130
Furniture and fittings		194	654
Land		3,476	140
Other		456	405
Total capital works		37,785	34,266

Represented by:

Renewal	(a)	2,420	8,026
Upgrade	(b)	4,485	2,386
New assets		30,880	23,854
Total capital works		37,785	34,266

Property, plant and equipment, infrastructure movement

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

Total capital works		37,785	34,266
Asset revaluation movement	29	-	61,590
Developer Contributions	7(b)	72,282	43,128
Depreciation	14	(20,042)	(17,583)
Written down value of assets sold	22	(337)	(162)
Assets written off	22	(2,888)	(4,196)
Other movements	22	4,180	(1,008)
Net movement in property, plant and equipment, infrastructure	22	90,980	116,036

(a) Renewal

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

(b) Upgrade

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

Certification of the Financial Report

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



Thuraiajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 13 September 2013

In our opinion the accompanying financial statements present fairly the financial transactions of Melton City Council for the year ended 30 June 2013 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 27 August 2013 to certify the financial statements in their final form.



Cr. Kathy Majdlik
Mayor

Dated: 13th September 2013



Cr. Bob Turner
Deputy Mayor

Dated: 13th September 2013



Kelvin Tori
Chief Executive Officer

Dated: 13 September 2013



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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melton City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2013 of the Melton City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Melton City Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Melton City Council for the year ended 30 June 2013 included both in the Melton City Council's annual report and on the website. The Councillors of the Melton City Council are responsible for the integrity of the Melton City Council's website. I have not been engaged to report on the integrity of the Melton City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
16 September 2013


John Doyle
Auditor-General



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