



ANNUAL REPORT

2013-2014



YEAR IN REVIEW

COUNCIL PLAN GOAL

OUR COMMUNITY

For more information
see page 29



ACHIEVEMENTS

- Four-year Health and Wellbeing Plan adopted
- Municipal Emergency Management Plan updated, adopted and audited by Vic. SES
- 3,151 meals and 12,992 hours of care delivered to frail, aged and disabled residents
- A management and governance structure for the new Hurstbridge Community Hub developed and approved
- Options for the redevelopment of the aquatics at Eltham Leisure Centre evaluated
- 8,997 people take part in environmental education activities in Edendale
- Construction starts on a dedicated dog park in Diamond Creek

CHALLENGES

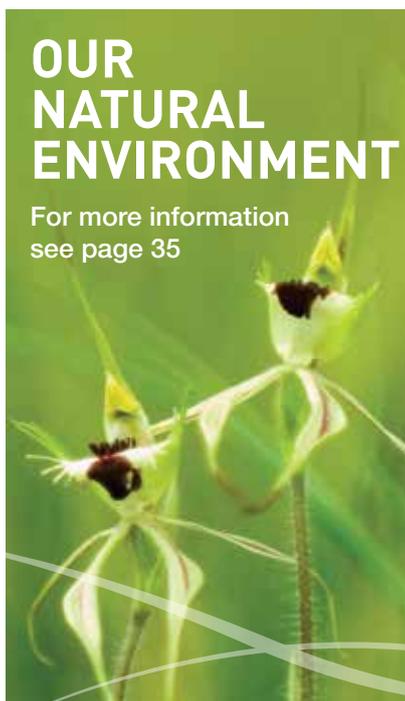
- Adoption of the draft Soccer Strategy was delayed due to a series of community consultation to address issues raised by the community.

THE YEAR AHEAD

- Prepare detailed design for Diamond Creek Community Centre
- Appoint a childcare operator for new Hurstbridge centre
- Partner with agencies to get a Headspace service in the north east

OUR NATURAL ENVIRONMENT

For more information
see page 35



ACHIEVEMENTS

- Conservation Corridors project shortlisted as a finalist in the UNAA World Environment Day awards
- 22 'Friends of' groups supported to hold local activities
- Integrated Water Management Strategy adopted
- 69 per cent of the total kerbside waste collected was recyclable
- The Hurstbridge Stormwater Recycling Project almost complete
- Priority actions in the Green Wedge Management Plan implemented

CHALLENGES

- The Minister for Planning reviewing the BMO which has implications for the investigation of small, substandard lots in rural Green Wedge
- A project to audit energy efficiency at Council's Civic Centre in Greensborough started but was not completed due to complications in receiving data that could be analysed effectively

THE YEAR AHEAD

- Prepare and exhibit the Landscape Character amendment
- Complete 90% of the fire management works program by 31 December 2014
- Review and update the Climate Change Action Plan

OUR BUILT ENVIRONMENT

For more information see page 41



ACHIEVEMENTS

- Amendment C60 to protect the significant Hurstbridge main street approved by the Minister
- Construction of the Hurstbridge Family Centre completed
- Graffiti vandals apprehended and graffiti reduced Shire-wide
- Design and funding strategy for new St Andrews Community Centre building completed
- All budgeted footpaths and trails upgrades completed
- Draft Integrated Transport Statement released for consultation

CHALLENGES

- CFA concerns about vegetation controls in the St Andrews Urban Design Guidelines resulted in a delay to this amendment to the Planning Scheme
- Preliminary work was undertaken on the development of a policy for the leasing and licencing of Council assets to community groups. The project continues in 2014-2015 to respond to what is a complex range of existing circumstances

THE YEAR AHEAD

- Implement the project plan for the Hurstbridge intergenerational housing project
- Prepare the draft concept plan for the Diamond Creek to Hurstbridge Trail
- Complete construction of the St Andrews Community Centre
- Prepare a street tree policy

OUR ECONOMY

For more information see page 47



ACHIEVEMENTS

- Stage One of the Eltham Precincts 3 and 4 Masterplan project completed
- The first stage of the Brand Nillumbik project was approved following consultation with trader groups and the tourism association
- A database of local produce and agricultural suppliers was made available on the Local Food Connect website
- Amendments C51 and C53 to implement the Eltham and Diamond Creek Major Activity Structure Plans were submitted to the Minister
- Twenty business training programs, workshops and seminars were delivered
- Designs prepared for the redevelopment of Eltham Town Square

CHALLENGES

- Following lengthy delays in obtaining Ministerial approval Council considered and supported a request from the Department of Transport, Planning and Local Infrastructure to reformat Amendment C51 Eltham Structure Plan

THE YEAR AHEAD

- Undertake Stage Two of the Eltham Precincts 3 and 4 Masterplan
- Progress the redevelopment of the Eltham Town Square
- Process at least 60 per cent of planning applications within 60 days

OUR COUNCIL

For more information see page 53



ACHIEVEMENTS

- The Amenity and Infrastructure Assets Local Laws were reviewed and adopted
- A Service Excellence Charter was developed and released for community comment
- A Financial Sustainability Plan was developed and adopted
- State Government Fire Services Levy implemented
- Internal audit reports on seven council services completed

CHALLENGES

- The review of the Meeting Procedure Local Law was delayed due to amendments to the *Local Government Act 1989*

THE YEAR AHEAD

- Implement the advocacy plan in the lead up to the November 2014 State Election
- Prepare a responsible Gaming Position Paper
- Undertake an athletics feasibility study.

ABOUT THE ANNUAL REPORT

Nillumbik Shire Council's Annual Report 2013-2014 is an important part of Council's commitment to open and accountable governance.

The report informs our community and stakeholders – including residents, ratepayers, businesses, visitors, prospective staff, government agencies and other interested groups – and reflects Council's commitment to making Nillumbik a better place for current and future generations.

The Annual Report is a thorough overview of the Council's performance in the 2013-2014 financial year against the five strategic objectives set out in the Council Plan 2013-2017 and Budget 2013-2014.

The report highlights achievements and challenges in key operational areas and provides comprehensive corporate governance information as well as audited financial statements.

The report includes issues impacting the sustainability of Nillumbik and our organisation and provides details of the elected Council, the organisation, and our financial and sustainability performance.

The report also includes statutory reporting and legislative information and fulfils Council's statutory responsibilities under the *Local Government Act 1989* and other legislation.

The previous annual report was published in September 2013.

THE STRUCTURE OF THIS REPORT

This report is divided into five sections:

1. An overview of Nillumbik Shire Council and the community we serve (see Page 2-27)
2. Our performance against the five strategic objectives in the Council Plan 2013-2017 (see Page 29)
3. Corporate information and statutory reporting (see Page 59)
4. Financial performance and performance against our key strategic activities (see Page 80)
5. Our performance against Global Indicators (see Page 141)

HOW TO OBTAIN COPIES OF THIS ANNUAL REPORT

Additional copies of this Annual Report can be obtained by:

- Logging onto the publications section of Council's website www.nillumbik.vic.gov.au
- Telephoning Customer Service on 9433 3111
- Sending an email to nillumbik@nillumbik.vic.gov.au
- Writing to Nillumbik Shire Council, PO Box 476 Greensborough, Vic, 3088

Nillumbik welcomes your feedback and ideas about this report.

If you want to provide feedback or would like more information on any matters contained in this report, please contact the Governance Unit on 9433 3111 or email nillumbik@nillumbik.vic.gov.au.

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OUR MAYOR AND CEO

IT HAS BEEN A CHALLENGING AND REWARDING YEAR FOR NILLUMBIK SHIRE COUNCIL AND WE ARE PROUD TO PRESENT THIS REPORT ON THE FIRST YEAR OF PROGRESS ON THE COUNCIL PLAN 2013-2017.



MAJOR PROJECTS AND ADVOCACY

In October 2013, Council endorsed a Major Projects Plan with 15 high priority projects to develop and implement over the next 10 years. This included project priorities for funding for the next three years including the much-needed upgrade of the aquatics facilities at the iconic Eltham Leisure Centre, the Diamond Creek to Hurstbridge Recreation Trail and the commuter on-road trail from Hurstbridge to Wattle Glen, Eltham Town Square redevelopment, the Diamond Creek Community Centre redevelopment, Maroondah Aqueduct Trail, Eltham Community Reception Centre redevelopment works, Edendale master plan implementation and various road works.

These priority projects in our Major Projects Plan form the basis of Council's advocacy campaign for grant funding to the State and Federal Governments in the lead up to the State Election in November 2014.

We held successful briefings with government and opposition MPs and election candidates to put our case for funding assistance so we can deliver some of these much-needed community projects. The briefings included a video highlighting the issues and priority projects requiring funding, and a presentation on the unique financial challenges facing Nillumbik. Our campaign was supported by local community groups such as Trailblazers who have widespread community support to make the Diamond Creek to Hurstbridge Trail a reality.

As well as our own advocacy, Council actively supported pre-election advocacy campaigns undertaken by the Northern Region Councils and the Interface Councils – both of which highlighted infrastructure gaps and inequitable government funding for outer suburban growth and Green Wedge municipalities.

ANNUAL COMMUNITY SURVEY

In our 2014 Annual Community Survey, we asked our residents to tell us what the important issues are for Nillumbik and the Green Wedge in the lead up to the election.

Our residents identified 58 separate issues, however the most common were public transport (12.4 per cent), roads maintenance and repairs (11.2 per cent), road development/access to Ring Road (9.4 per cent) and traffic management (9.2 per cent). Further investigation of these issues reveals that the concerns relate to State Government Roads and responsibilities. This has therefore become an important part of Council's advocacy program as we impress upon all sitting and aspiring local MPs the extent of concern for State Government transport services and roads amongst citizens of Nillumbik.

Community satisfaction with Council's overall performance is 6.16 out of 10, which is a decrease on the 2013 result of 6.44. This level of satisfaction remains categorised as 'solid'.

The annual survey continues to provide important feedback to Council and we will continue to use this to continually improve our service delivery and priorities in accordance with what the community is telling us.

FINANCIAL SUSTAINABILITY

Our decision to pay off our \$4.6 million superannuation liability in a lump sum in 2012-2013 impacted our net cash position over that year and this resulted in us receiving an overall yellow light (medium risk) rating for financial sustainability from the Victorian Auditor-General in December 2013.

OUR MAYOR AND CEO

Nillumbik's overall financial sustainability assessment would have been rated as low risk (green light) as it has for the past five years if the payment of the superannuation liability was excluded from the analysis.

Council adopted a Financial Sustainability Plan in December 2013 which allows us to identify our projected future performance.

Finalising the funding for the superannuation liability in 2014-2015 means we will be well placed in future years to allocate additional funding to infrastructure renewal and capital works projects and keep rate rises to a minimum.

We are also forecast to achieve an overall green light 'low risk' rating from the Victorian Auditor-General every year for the next 10 years.

PROTECTING THE GREEN WEDGE

We continued to work hard on our Council Plan goal to enhance and protect the natural environment of Nillumbik's unique Green Wedge, particularly through projects and advocacy that we are undertaking through the interface council group and through the implementation of our Green Wedge Management Plan.

Nillumbik's Conservation Corridors project was short-listed as a finalist in the United Nations Association of Australia World Environment Day Awards in both the Virgin Australia Community Award and the Biodiversity Award categories.

As part of the Conservation Corridors project, motion-sensing cameras recorded a Long-nosed Bandicoot on a fire-affected property in Strathewen which hasn't been sighted in the area since 1967.

A wetlands and storm water harvesting system on the former high school land in Hurstbridge came very close to completion during the financial year.

The system will capture and treat storm water to irrigate nearby sports ovals and improve the quality of water running into the Diamond Creek.

This project, and others, was funded by a \$1,090,000 grant comprising \$500,000 from the Regional Development Australia Fund, \$285,000 from the Office of Living Victoria and \$305,000 from Melbourne Water.

ENGAGING AND COMMUNICATING THROUGH SOCIAL MEDIA

Council adopted a Social Media Strategy and started using these online platforms to communicate and engage with our community.

The benefits of this were evident during damaging windstorms we experienced in June. Not only did our Operations Centre crews and customer service staff respond very efficiently and professionally to the requests for assistance to the wind damage, Council's social media accounts via Facebook and Twitter were used by more than 800 people to monitor conditions and check status updates on the damage.

ORGANISATIONAL PERFORMANCE

Our organisational focus on taking more care to carefully plan our work priorities and activities had a positive impact on the way the organisation performs. The latter part of the financial year was a fairly intense time of planning, where department plans, business plans and individual work

plans were finalised to deliver the priorities of Council over the 2014-2015 financial year.

There are tough times ahead for local government. This is the conclusion to be drawn from the State and Commonwealth budgets which saw the loss of funds to the local government sector.

As we approach the 20th anniversary of the formation of the Shire of Nillumbik, we appear to be moving into a period of less funding support and more scrutiny from the other tiers of government.

We have made a good start to ensuring high levels of transparency, productivity and efficiency with our operations – but given the external environment, we must continue to focus on this over the coming years.

We would like to thank Councillors for their hard work and commitment in their first full financial year as a Council group.

The Council had to make some tough decisions in the first year of the Council Plan 2013-2017 that will augur well for Nillumbik's financial sustainability in the longer term.



Cr Michael Young
Mayor



Stuart Burdack
Chief Executive Officer

OUR FINANCES

IN 2013-2014 COUNCIL CONTINUED TO PRUDENTLY MANAGE ITS FINANCES WITH THE KEY OBJECTIVE BEING LONG TERM FINANCIAL SUSTAINABILITY.

FINANCIAL SUSTAINABILITY

Financial sustainability is a challenge for all governments, and sound financial planning is a cornerstone of good governance.

Council's Financial Sustainability Plan, adopted in December 2013, has the purpose of establishing targets for Council to monitor its financial sustainability on an ongoing basis.

The plan identifies the challenges and issues facing Council in terms of financial sustainability and establishes the principles that Council will follow in managing its finances.

OPERATING RESULT

The operating profit reported in the 2013-2014 financial statements is \$6.6 million compared with a budgeted surplus of \$5.5 million. This variance is predominantly attributable to higher than budgeted receipt of capital grants and contributions offset by higher than budgeted expenditure on materials and services.

Materials and services expenditure includes spending on some major projects from prior years which were budgeted in those years.

FINANCIAL POSITION

Assets at year-end totalled \$680 million compared with a budget of \$674 million. This variance was mainly due to an increase in cash held at year-end and an increase in receivables.

Cash on hand was \$4 million higher than budgeted due to delayed spending on capital works while receivables was \$2.5 million higher than budgeted due to lower collection of rates debtors during 2013-2014.

Liabilities at year-end totalled \$35.8 million compared with a budget of \$39.8 million. The variance of \$4 million was due to lower than anticipated trade payables and lower than budgeted borrowings at year-end.

Trade payables were \$2 million lower than budgeted as there were a lower number of accrued invoices at year-end. Accrued invoices are invoices that are received after the end of the year but are for goods and services purchased during the year.

Borrowings were lower than budget by \$1.6 million due to capital works borrowings being budgeted for but not taken up at year-end, due to the timing of specific major projects.

Equity measures what Council is worth. At year-end equity was \$9.5 million higher than budget. This was reflected by an increase in reserves of \$9.5 million. Reserves hold the value of expected future expenditure which is set aside for a specific purpose.

OUR FINANCES

CASH POSITION

Council had cash holdings at year-end of \$15.7 million which was lower than the budgeted \$16.2 million.

The majority of variance is explained by higher than anticipated government grants which were more than offset by lower than anticipated proceeds from sales and proceeds from borrowings.

Grants which were expected in 2012-2013 but received in 2013-2014 were not budgeted for and this has resulted in an increase of \$4.4 million.

Budgeted sales of \$1.7 million worth of land had occurred but proceeds will be received in 2014-2015.

Borrowings for some capital works projects have been delayed until future years due to the timing of completion of these projects, resulting in a \$1.4 million variance from budget.

FUTURE OUTLOOK

Council is committed to sound financial management and will continue to meet the community's needs while ensuring long term financial sustainability for future generations.

The financial principles outlined in the Financial Sustainability Plan will guide Council in making responsible financial decisions, and the measures and targets set in the plan will enable Council to monitor its ongoing financial sustainability.

Projections of future performance are included in Council's 2014-2015 Budget, along with a copy of the Financial Sustainability Plan.

Operating result

Summary of Financial Performance for the year ended 30 June 2014

| | Actual \$'000 | Budget \$'000 |
|---|------------------|------------------|
| Total Revenue | 83,165 | 78,277 |
| Total Expenses | 76,510 | 72,771 |
| Net loss on disposal of property, infrastructure, plant and equipment | (142) | - |
| Share of net profits of associates | 146 | - |
| Profit for the year | 6,659 | 5,506 |

Financial Position

Summary of Financial Position for the year ended 30 June 2014

| | Actual \$'000 | Budget \$'000 |
|-------------------|------------------|------------------|
| Total Assets | 680,124 | 674,721 |
| Total Liabilities | 35,807 | 39,849 |
| Total Equity | 644,317 | 634,872 |

Cash position

Summary of Cash Flows for the year ended 30 June 2014

| | Actual \$'000 | Budget \$'000 |
|---|------------------|------------------|
| Cash Flows from operating activities | 13,137 | 10,494 |
| Cash Flows from investing activities | (13,539) | (10,268) |
| Cash Flows from financing activities | (1,051) | 1,491 |
| Net increase (decrease) in cash held | (1,453) | 1,717 |
| Cash at beginning of financial year | 17,237 | 14,568 |
| Cash at end of financial year | 15,784 | 16,285 |



NILLUMBIK SHIRE COUNCIL
HAS AN OBLIGATION
TO ACHIEVE THE MOST
BENEFITS FROM ALL
AVAILABLE RESOURCES FOR
ITS COMMUNITY AND HAS
PLEGGED TO DO THIS IN A
SUSTAINABLE MANNER.

BACHYSE
5077

ABOUT COUNCIL

ABOUT COUNCIL

In accordance with the *Local Government Act 1989* (the Act), Council's role is to provide good governance and leadership for the Nillumbik community through advocacy, decision-making and action.

Nillumbik Shire Council has an obligation to achieve the most benefits from all available resources for its community and has pledged to do this in a sustainable manner.

A council then ensures this is achieved through its monitoring and reporting processes. The operational or administrative arm is responsible for implementing council decisions.

Council officers also provide advice and expertise that help a council to form policy decisions, deliver services, and implement and manage systems. For all these functions, they are accountable to the council through the Chief Executive Officer.

HOW COUNCILS OPERATE

In Victoria, there are 79 councils representing around five million people. Councils consist of an elected arm (between five and 12 councillors elected by the community) and an operational arm (council staff).

An elected council sets the overall direction for the municipality through long-term planning. It adopts a strategic view of the future it wishes to achieve for its community and makes plans and policies to achieve this.



ABOUT COUNCIL

ABOUT COUNCILLORS

In Victoria, councillors are elected every four years to represent their communities. They receive an allowance to assist them to exercise their responsibilities and are expected to behave in accordance with the council's Code of Conduct.

As an individual, a councillor is expected to represent the interests of residents and ratepayers. This means providing community leadership and guidance, and improving communication between the community and council.

A councillor can only make decisions as a member of 'the council' at formally constituted council meetings.

Actions occur after a majority vote decision of the council or of a formally delegated committee.

As an individual, neither the mayor nor councillors have the authority to act or make decisions on behalf of the council or its staff.



Cr Michael Young
(Mayor)

elected 2004,
re-elected 2008, 2012

☎ 0437 840 866
@ Michael.Young@nillumbik.vic.gov.au

Designer/builder and passionate advocate for the Green Wedge, Cr Michael Young, is serving his third successive term on Council and his second as Nillumbik Shire Mayor.

Cr Young is passionate about getting the right type of appropriate development in residential areas and preserving the character and environmental values of the Green Wedge.

Cr Young lives in Eltham and has two adult children. He was Nillumbik Shire Mayor from December 2011-October 2012.

Among the things he most enjoys about Nillumbik is the drive from Kangaroo Ground to St Andrews.



Edendale Ward covers Eltham North and parts of Diamond Creek.



Cr Bronnie Hattam
(Deputy Mayor)

elected 2004, elected 2012

☎ 9431 4035
@ Bronnie.Hattam@nillumbik.vic.gov.au

Cr Bronnie Hattam has an extensive family history in the Shire and wants to protect Nillumbik, its Green Wedge, neighbourhood character and tree canopy in Eltham. Other things which Cr Hattam feels passionate about are the artistic community and cultural heritage, supporting friends groups, the environment, sensitive design and appropriate development.

Married and with three children Cr Hattam enjoys painting in her spare time and is a member of the Eltham Historical Society and Nillumbik Mudbrick Association.

Cr Hattam's favourite things to do in the Shire includes visiting Kangaroo Ground Memorial Tower, visiting Montsalvat and taking the dog for walks in Eltham's parks.



Swipers Gully Ward includes the Eltham area north of Grove St/Wycliffe Crescent, and bounded by Main Road, Allendale Road and Reynolds Road.



Cr Peter Perkins
elected 2010, re-elected 2012

☎ 0437 455 064
@ Peter.Perkins@nillumbik.vic.gov.au

Cr Perkins is serving his second term on Council and believes that being a Councillor is one of the most rewarding experiences he has had. He is keen to protect what we know as Nillumbik and preserve what's important about our Shire.

Cr Perkins works for the Metropolitan Fire Brigade, has been a CFA volunteer for 20 years and was Captain of the Diamond Creek CFA brigade for 10 years. He is single and has been living in Diamond Creek for 22 years.

Cr Perkins enjoys showing off the Shire to his friends when they visit and included in the tour is a trip to the St Andrews market and the Kangaroo Ground Memorial Tower, lunch at the Pantom Hill pub, and a walk in Eltham Lower Park.



Ellis Ward covers Diamond Creek and surrounds.

ABOUT COUNCIL



Cr Helen Coleman
elected 2004,
re-elected 2008, 2012

☎ 0437 940 930
Phone/fax: 9439 0063
✉ Helen.Coleman@nillumbik.vic.gov.au

Cr Coleman is serving her third term on Council and believes that protecting the Green Wedge is vital along with preserving community services.

Cr Coleman is passionate about all aspects of the A – Z of Council services from 'roads, rates and rubbish' and services for aged care, the arts, families and children, sports and volunteers to name a few.

Cr Coleman has a background in community services and is married with two children.

She is a member of the Board of Women's Health Victoria and is Metropolitan Vice President of the Australian Local Government Women's Association Victorian branch.

In her spare time Cr Coleman enjoys the local shopping centre, the local festivals and events and spending time with her family and friends around the Shire.



Wingrove Ward covers Eltham South.



Cr Meralyn Klein
elected 2012

☎ 0407 801 066
✉ Meralyn.klein@nillumbik.vic.gov.au

Cr Klein retired from the hospitality industry where she managed a local restaurant to take up the mantle as a Nillumbik Shire Councillor.

Cr Klein lives in Research and one of her favourite things to do is meet up with friends at the Plenty Valley Women's Group and at her local church Eltham Baptist.

She joined Council to address those community matters that she is concerned about, Council's rates and vegetation management.

She believes that becoming a Councillor was a way of trying to get something done rather than just talk about it.

Cr Klein and her husband John have four children.



Blue Lake Ward covers Plenty, Yarrambat and parts of Greensborough.



Cr Anika Van Hulsen
elected 2012

☎ 0408 281 905
✉ Anika.Vanhulsen@nillumbik.vic.gov.au

A mother and volunteer community worker, Cr Van Hulsen and her partner Tony have two children and live in Wattle Glen.

Cr Van Hulsen has been involved in her local community and in broader Shire issues for the past 13 years and stood for Council to take her community work to the next level.

She is passionate about building healthy communities and hopes to achieve a start on the Diamond Creek to Hurstbridge Trail.

As convenor of Friends of Watery Gully, Cr Van Hulsen enjoys spending time working with her fellow volunteers in her local reserve Peppers Paddock as well as visiting the Shire's other fantastic reserves and local cafes.



Bunjil Ward covers Arthurs Creek, Doreen, Hurstbridge, parts of Kinglake, Kinglake West, Nutfield, Panton Hill, Strathewen and Yan Yean.



Cr Ken King
elected 2008, re-elected 2012

☎ 0427 549 759
✉ Ken.King@nillumbik.vic.gov.au

Kangaroo Ground winemaker, Ken King, is serving his second term on Council. Cr King said he stood for Council again to implement the policies of the previous Council.

Cr King is passionate about keeping arable land productive as a means of preserving rural land in Nillumbik and is also looking forward to the next step of the *Picture Nillumbik* community engagement process.

Ken and his wife Sue live in Kangaroo Ground with their three children, Mason, Lane and Bridget where in addition to their winery, they operate the local post office.

Cr King was Nillumbik Shire Mayor in 2010. Cr King's favourite place in the Shire is the top of the Kangaroo Ground Memorial Tower.



Sugarloaf Ward covers Bend of Islands, Christmas Hills, Kangaroo Ground, North Warrandyte, Research, Smiths Gully, St Andrews and Watsons Creek.

THE YEAR IN NILLUMBIK 2013

JULY

A sod-turning ceremony marked the start of construction on the \$4.6 million Hurstbridge Family and Community Centre.

Local children gave the new playground at Alistair Knox Park, Eltham, a big thumbs up after its \$180,000 facelift.

Council urged residents to say YES in the referendum to be held in conjunction with the Federal election, in an effort to ensure that federal funding continues to be available for important local projects. The referendum didn't go ahead.

AUGUST

Council's draft Health and Wellbeing Plan 2013-2017 – outlining a vision to plan, protect and promote health and wellbeing within the Shire over the next four years – was released for public comment.

A joint 12-month anti-graffiti campaign between Council and Victoria Police resulted in 28 arrests and 11 people being cautioned with offenders ranging in age from 12 to 22 years.



The St Andrews Township Plan was adopted in consultation with the local community. It outlines a vision for St Andrews to remain a small, relaxed township, with a strong sense of place and identity that is drawn from its bush environment and artistic vitality.

SEPTEMBER

Council expressed concern that changes to the zoning of rural land in Victoria will threaten the environmental and agricultural values of the Shire's prized Green Wedge.

Works began on the construction of a new \$300,000, 2.4 metre pedestrian bridge across the Diamond Creek in Eltham for shared use by cyclists and pedestrians.



OCTOBER

Council's staff 'ecoteam' was recognised for its excellent work in implementing sustainable outcomes in the workplace by winning the 2013 Australian Green Workplace Award in the Public Sector Category.



Council requested the Minister for Planning, Matthew Guy, to undertake Amendment C89 to the Nillumbik Planning Scheme which would fast-track the rezoning and sale of land around Circulatory Road, Eltham.

NOVEMBER

Eleven major projects across the Shire were endorsed by Council as high priorities for funding for the next three years and Council committed to advocate to the State and Commonwealth Governments for grants to fund them.

Council developed new guidelines to make sure Nillumbik's 99 bushland and wetland reserves are cared for and protected in the best possible way now and into the future.

Two revised local laws – Infrastructure Local Law and Amenity Local Law – were adopted. They are intended to provide a safe environment, protect the community and infrastructure and ensure fair and reasonable use of public and private space.

DECEMBER

Council's submission to the State Government's Plan Melbourne draft metropolitan planning strategy expressed its concerns that the strategy is excessively pre-occupied with improvements and changes to central Melbourne and growth areas, with limited focus on environmental and social sustainability.

A contract for construction of a wetlands and storm water harvesting system on the former high school land in Hurstbridge was awarded. The wetlands will make better use of storm water and improve the quality of the Diamond Creek.



Nillumbik, Banyule and Whittlesea Councils, along with Amaze (Autism Victoria), arranged special visits by Sensitive Santa so that children on the autism spectrum didn't miss out on meeting the 'man from the other North' and having a photo with him.

The development of the much-awaited Diamond Creek Regional Trail drew closer with Council committing \$102,350 for the completion of the concept design.

THE YEAR IN NILLUMBIK 2014

JANUARY

Amanda Gibson – the driving force behind the Blacksmith's Tree Project which stands as a moving and inspiring memorial to those who lost their lives in the Black Saturday bushfires – was announced as Nillumbik's Citizen of the Year for 2014. Other winners were Joy Ferguson (Senior Citizen of the Year); Jenny Kennedy (Volunteer of the Year) and the Diamond Creek Men's Shed (Community Group of the Year).



The 'Paper Dolls' exhibition at the Eltham Library Community Gallery showcased charming paper dolls produced by the children of Nillumbik during the local 2013 festival season, including individual affirmation statements from the children about what they would like to be when they grow up, what they are good at or who they are.

FEBRUARY

Council requested the Victorian Grants Commission review the way it calculates Nillumbik's general purpose grant to take into consideration circumstances which disadvantage Nillumbik under the current allocation system.

The Ministers for Planning and Bushfire Response were requested to extend the temporary bushfire recovery and rebuilding provisions in the Planning Scheme for a further 12 months. The provisions were introduced after the Black Saturday bushfires in 2009 to allow for temporary accommodation on bushfire-affected properties.

The \$224,000 contract for the sealing of Buttermans Track, Christmas Hills, between Skyline Road North and Wallace Road was awarded.

MARCH

Council received \$207,800 funding through the Melbourne Water, Living Rivers Program to fund projects in the Integrated Water Management Strategy.

A ban on smoking at areas commonly used by children and young people was implemented from 1 April 2014, in line with new State Government legislation.

The Positive Ageing Strategy 2013-2018 was launched. It aims to improve the health and wellbeing of, and opportunities available to, Nillumbik's older residents.



APRIL

Food scraps and garden waste from residents' green bins are sent to a new purpose-built organics recycling facility in Bulla to create compost and mulch for Victoria's farms, parks and gardens. The new facility composts kerbside green waste from 11 metropolitan councils in Melbourne's north and west.

State and Federal Members of Parliament met with Nillumbik Councillors for the first of a number of briefings on the priority issues affecting Nillumbik as part of Council's advocacy campaign for a better deal for Nillumbik in the lead up to the November State election.

The Conservation Corridors Project – which monitors wildlife across the Shire – captured some great motion-sensing camera footage of a Long-nosed Bandicoot, not spotted in the fire-affected areas of Strathewen since 1967.

MAY

More than 200 Yarrambat residents 'joined the conversation' at two consultation workshops to gather community opinion and inform the development of the Yarrambat Township Plan.

Make it easy, get it right, connect me, be responsive, be nice, listen to me ... this is what Nillumbik residents told us they want when they do business with Council. As a result, Council developed a draft Service Excellence Charter which was released for public comment.

A mobile application listing attractions, events, maps and current activities in a user friendly format was among the products launched to support the Destination Nillumbik tourism initiative. Other marketing tools in the suite included an investment pack and website.

JUNE

Work began on the Shire's first dedicated dog park in Diamond Creek, thanks to a \$30,000 donation from Purina and a \$25,000 contribution from Council. The park will include landscape and rock features for dogs to clamber through, an education and training area, a separate small dog area, litter bins and seating.



The 2014-2015 Budget was adopted. Paying off the remainder of the defined benefits superannuation liability and a significant decline in revenue at the Eltham Leisure Centre had placed pressure on the budget.

Successful lobbying saw the State Government agree to Council's request to maintain the 0.4 hectare (4,000m²) minimum subdivision size in all areas of the Shire currently zoned Low Density Residential (LDRZ).



THE COMMUNITY VALUES AND WANTS TO PROTECT THE GREEN WEDGE WITH ITS BUSHLAND ENVIRONMENT, OPEN SPACES AND ARTISTIC HERITAGE.

ABOUT NILLUMBIK

LOCATION

The Shire of Nillumbik covers an area of 432 square kilometres. At its south western gateway, Nillumbik is located less than 25 kilometres north-east of Melbourne, and has the Yarra River as its southern boundary.

It extends 29 kilometres to Kinglake National Park in the north/north-east and stretches approximately 20 kilometres from the Plenty River and Yan Yean Road in the west, to Christmas Hills and the Yarra escarpment in the east.

POPULATION

Nillumbik has a population as at 30 June 2011 of 62,724 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities.

More than 25 per cent of Nillumbik's residents are aged 0-17 years and more than 15 per cent are aged 60 years and over. Our community has a high rate of employment with 96.5 per cent of our residents employed either full or part time. Some 66 per cent of workers travel outside the Shire to their place of employment.

HOUSEHOLDS

The Shire of Nillumbik has a relatively healthy and affluent community which lives largely in family units in single dwelling properties.

In Nillumbik in 2011, there was a higher proportion of couple families with children as well as a lower proportion of one-parent families. Overall, 49.4 per cent of total families were couple families with children compared to 33.5 per cent for greater Melbourne, and 9.6 per cent were one-parent families compared to 10.4 per cent for greater Melbourne.

There was a lower proportion of lone person households (13.4 per cent compared to 22.5 per cent in greater Melbourne) and a similar proportion of couples without children (23.5 per cent) which is almost the same as greater Melbourne.

In 2011, there were 19,847 separate houses in the area, 1,100 medium density dwellings, and 14 high density dwellings.

Analysis of the types of dwellings in Nillumbik Shire in 2011 shows that 94.5 per cent of all dwellings were separate houses; 5.2 per cent were medium density dwellings, and 0.1 per cent were high density dwellings, compared with 71.6 per cent, 21.5 per cent, and 6.3 per cent in Greater Melbourne respectively. (Source: Census 2011)

THE GREEN WEDGE SHIRE

The Shire of Nillumbik is known as the Green Wedge Shire. The term Green Wedge is used by the State Government to describe non-urban areas that surround metropolitan Melbourne, outside the Urban Growth Boundary (UGB). The Nillumbik Green Wedge covers 91 per cent of the total area of the Shire.

Nillumbik is a collection of townships, each with its own unique identity and heritage, set among bushland and rolling hills.

The major activity centres are Eltham and Diamond Creek. Our townships offer residents and visitors distinctive village-style shopping, access to professional services and public transport and places to meet and socialise.

Striking mud-brick buildings and award-winning wineries complement the Shire's natural landscape.

Residents feel connected to their local townships and have a strong sense of community. The community values and wants to protect the Green Wedge with its bushland environment, open spaces and artistic heritage.

ABOUT NILLUMBIK

ABORIGINAL HERITAGE

The area now comprising the Shire of Nillumbik was roamed for centuries by the Wurundjeri-willam clan of the Woi wurrung speaking people. The Wurundjeri people called our region *nillumbik* meaning shallow earth – a name later used by the Europeans who settled here.

Nillumbik Shire Council has made a strong commitment to reconciliation with the Wurundjeri people of the Kulin nation. This commitment has been demonstrated through the development of Council's Policy Commitment to Reconciliation with Indigenous Australians 1998, and the Nillumbik Shire Council Reconciliation Charter adopted in 2008.

A formal acknowledgement statement is read at the beginning of each Council meeting and other public events to respect and give recognition to the culture, language and practices of the traditional owners of the land now known as the Shire of Nillumbik.

ENVIRONMENT

Nillumbik's natural environment is characterised by steep ridges and gentle sloping hills enclosing plains and flats. The south is dominated by lowland hills while further north the Shire's boundary is framed by the mountains of the Kinglake Ranges.

Remnant open grassy woodland, with relatively shallow soils dominated by long-leafed and red box eucalypts and occasional stands of ironbark still remain on the hillside, ridge tops and along the creeks. The fertile soils of an old volcano at Kangaroo Ground offer rich farming land.

Despite clearing by European settlers, Nillumbik retains large areas of native vegetation on public and private land

and sites of national, state and regional significance for their fauna. Three major creeks run through the Shire and Nillumbik also contains significant natural wetlands.

Nillumbik's Green Wedge is host to a number of state and national parks and Council also manages a number of important environmental reserves.

ARTISTIC HERITAGE

The creative life of the community is highly-valued and large numbers of artists live and work here in the quiet beauty of our landscape.

Nillumbik's existing artist communities such as Butterfly Studio, Dunmoochin, Baldessin Studios, and Montsalvat, and the strength of artistic traditions commencing from the early Australian Impressionist painters through to current practice in contemporary arts showcased at local, regional and international forums, all contribute to Nillumbik's defining characteristics as an arts-rich environment.

ACTIVE LIFESTYLES

Nillumbik has a higher level of participation in sport and recreation activities than the State and National averages.

Walking for recreation is the most popular activity, followed by aerobics/fitness, swimming, cycling and running. Nillumbik's participation in more structured sports such as tennis, golf, football and netball are all higher than the State and national averages.

This is a snapshot of the Shire of Nillumbik. More detailed information is available on Council's website www.nillumbik.vic.gov.au

NILLUMBIK'S CHALLENGES

Like many Victorian councils, Nillumbik faces a number of challenges that require financial discipline and innovation to meet community needs.

Structural and demographic issues

Nillumbik has more residents per property (2.8 residents) than any other Victorian municipality (State average of 1.9 residents). Council's rates need to fund services for 50 per cent more residents than the State average. This is the major factor in determining Council's expenditure needs, which means that rates per property in Nillumbik are relatively high, even though rates per resident are lower than the State median.

Nillumbik is a small municipality by metropolitan standards, and is not able to achieve the economies of scale available to larger metropolitan councils. Despite this, spending per resident in Nillumbik is below State averages.

Just over 90 per cent of the Shire is rural, however only a small proportion of the population lives in the rural area. This creates additional costs for providing services for residents in the more remote parts of the Shire. Despite this, Nillumbik is designated as a metropolitan municipality and is not eligible for certain government grants that fund programs or projects for rural communities.

The community has a very high socio-economic status which is the highest of any Victorian municipality. This is a positive measure of community wellbeing, but it does mean that Council receives a smaller share of government grants. An ageing local population will place more demands upon Council services in the years ahead.



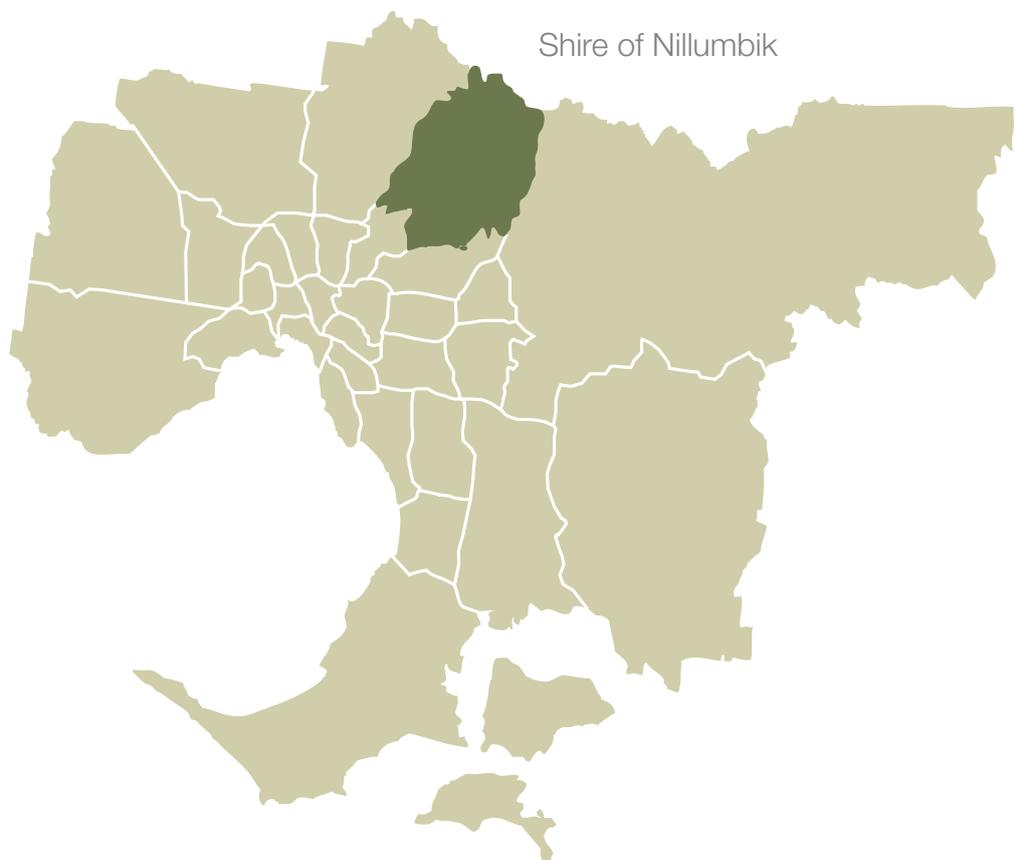
THE CREATIVE LIFE OF
THE COMMUNITY IS
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ARTISTS LIVE AND WORK
HERE IN THE QUIET BEAUTY
OF OUR LANDSCAPE.

ABOUT NILLUMBIK



At a glance

| | |
|--|--------------------------|
| Area | 431.94 square kilometres |
| Total population | 62,724 |
| Rateable properties | 22,881 |
| Percentage of population aged 0-17 years | 25.9% |
| Percentage of population aged 60 years and over | 15.6% |
| High income households (\$2500 per week or more) | 29.9% |
| Low income households (less than \$600 per week) | 10.7% |
| Couples with children | 9,777 |
| Couples without children | 4,647 |
| Medium and high density housing | 5.3% |
| Households with a mortgage | 9,715 |
| Households renting | 1,912 |
| Non-English speaking backgrounds | 7.2% |
| University attendance | 4.6% |
| Unemployment | 3.5% |
| Residents travelling outside the Shire to work | 66.1% |



ABOUT NILLUMBIK



A NUMBER OF
NILLUMBIK'S MAJOR
FACILITIES ARE QUITE
OLD AND REQUIRE
SIGNIFICANT SPENDING
TO UPGRADE THEM
TO CONTEMPORARY
STANDARDS

Legacy issues

Rehabilitation of two former landfill sites at Plenty and Kangaroo Ground is needed in accordance with EPA requirements.

Council is liable to fund shortfalls in the Local Authorities Superannuation Fund Defined Benefit Plan. This was closed to new members in 1993 but all Victorian councils must still contribute if the fund's investment performance is not sufficient to meet entitlements of continuing and former employees.

Infrastructure challenges

Council needs to address the funding gap for renewal and maintenance of existing infrastructure assets such as roads, footpaths, drains and buildings. Currently Council assets depreciate at around \$9 million each year, however Council only spends around \$7 million annually on renewal of these assets. Underspending on renewal is not a saving, as higher costs will eventually be borne by future ratepayers.

A number of Nillumbik's major facilities are quite old and require significant spending to upgrade them to contemporary standards, both in terms of community expectations and current design standards. Examples include the Eltham Leisure Centre and the Diamond Creek Community Centre.

Local conditions present a number of infrastructure challenges for Council. Nillumbik has steep topography and is heavily treed, which both add to infrastructure and maintenance costs. And when much of Nillumbik was first subdivided, only low-scale infrastructure was provided. Community expectations for roads, footpaths and drains are now different, and a higher level of infrastructure is often required.

Nillumbik's infrastructure, particularly the road network, is impacted heavily by the rapidly increasing residential growth in neighbouring municipalities whose residents travel through our Shire to get to work and access services.

Services

Council has increasing responsibilities for emergency management. Natural disasters such as bushfires and floods have placed significant demands on Council in recent years, both in terms of prevention (tree clearing, drainage improvements) and community recovery programs.

Climate change adaptation represents a significant challenge in terms of droughts, fires, floods and other extreme weather events. There is also a significant community expectation that Council will take a lead role in environmental sustainability.

Community expectations about the standard and range of services provided by Council continue to rise, however it is rare for existing service levels to be reduced to offset these cost impacts. Community expectations about consultation and engagement, and the use of technology to communicate with Council are also increasing.

Cost-shifting

Nillumbik continues to experience long-term declines in government grants for general services and the erosion in the value of specific service grants. In 2012-2013 this cost was more than \$2.2 million. Some of this arises from the transfer of service responsibilities from the State Government to Council.

Changes to standards set by government often lead to a higher cost to Council in service delivery. Examples include expansion of preschool services, and stricter requirements for tree clearing around power lines.

The imposition of state and federal government costs upon councils such as the landfill levy – which increased from \$9 per tonne in 2009-2010 to \$53.20 per tonne in 2013-2014 have increased costs for Council and ratepayers.

STRATEGY AND PLANNING

COMMUNITY VISION

Between October 2011 and June 2012, Nillumbik Shire Council embarked on a community engagement process during which we asked our residents a seemingly simple question: *'What is your vision for your local community?'*

The resulting document – Picture Nillumbik – represents a summary of more than 500 responses, online submissions, interviews and workshop contributions.

The community values identified from the work are:

- Local village life – a love and affection for the unique township as a place to meet, shop, play and connect in a meaningful way
- Deep connection and resilient community – a community that comes together and responds to economic, social and environmental challenges
- Balance with nature – a community seeking to protect, nurture and experience the environment so that it can sustain life
- A sustaining and evolving economy – local living, working and playing, creating the conditions for sustainable and economic growth in green business, sustainable transport, agriculture and food production
- Creative expression, art and cultural exchange – a community rich in cultural heritage worth sharing and celebrating
- Experience, discovery and fulfilment – lifelong learning, participatory democracy and positive living through all stages of life.

Picture Nillumbik – our community's aspirations for their Shire – will evolve as conversations continue, forming an important basis for future planning for both Council and the community. It has been an important input to the development of the Council Plan 2013-2017.

COUNCIL PLAN

Nillumbik's Council Plan 2013-2017 was the key strategic document guiding the direction of the Council during 2013-2014.

Under the *Local Government Act 1989*, each council is required to develop a council plan within six months of the election and to review it annually. The Council Plan 2013-2017 is the elected Council's statement of its priorities for the Nillumbik community, in response to the opportunities and challenges facing the Shire. It was adopted by Council in June 2013.

The Council Plan includes:

- Strategic objectives or goals – the outcomes the Councillors want to have achieved within their four-year term
- Strategies – how Council will achieve each goal
- Strategic Indicators – how progress towards the goals will be evaluated
- Strategic Resource Plan – a four year budget outlining how the strategies will be financed and resourced.

The Council Plan 2013-2017 is divided into five goal areas.

1. Our Community
2. Our Natural Environment
3. Our Built Environment
4. Our Economy
5. Our Council

Each goal area has a long-term objective and a series of strategies to meet that objective. Our progress in implementing these strategies is formally reported to Council on a quarterly basis.

The Annual Report 2013-2014 is reporting against the first year of the Council Plan 2013-2017.

The Council Plan can be viewed on Council's website
www.nillumbik.vic.gov.au

INPUT FOR THE COUNCIL PLAN

The Council Plan 2013-2017 was developed over many months with thorough input from Councillors. It was also informed by the results of the Annual Community Survey, by the community's aspirations outlined in Picture Nillumbik and from the strategic directions set out in a large suite of long-term Council plans and strategies, all of which involved comprehensive consultation with the community.

ANNUAL PLAN

Each year, in line with the Budget process, Council produces an Annual Plan identifying how Council will work towards achieving the goals in the Council Plan. Council priorities, major projects, capital works, service improvements as well as actions in response to Council strategies will be set out in the Annual Plan.

Progress against the Annual Plan is detailed in Council's Annual Report, with major projects and service highlights reported to Council in a quarterly progress report.

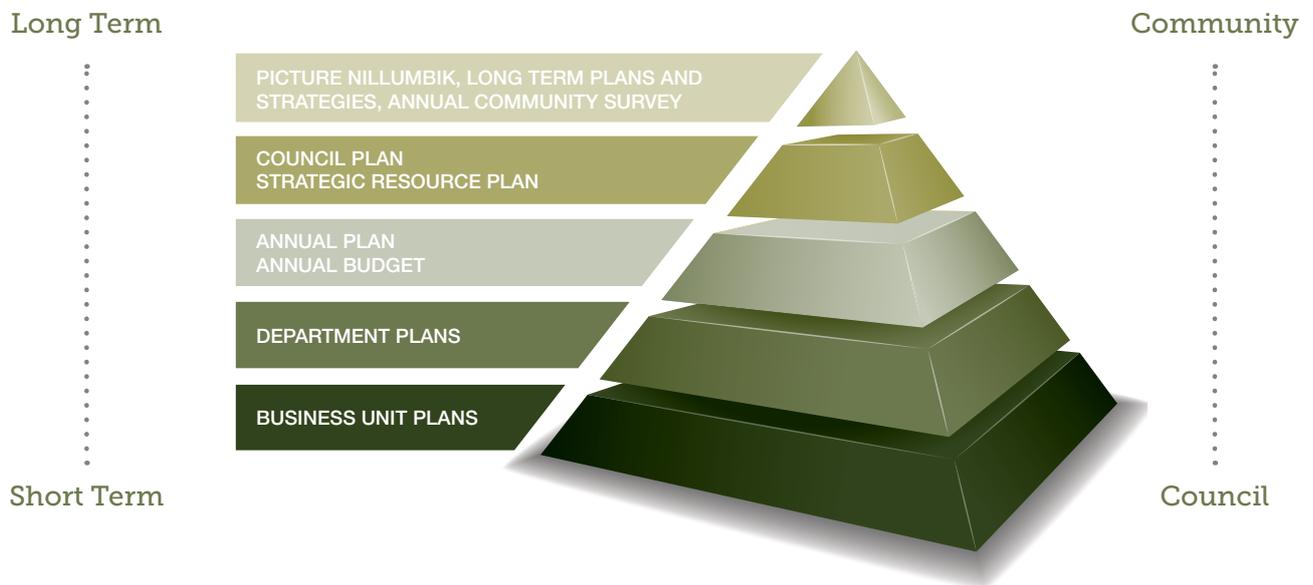
BUDGET

Council prepares an annual budget each financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay.

The budget includes information about the rates and charges to be levied, new initiative funding, borrowing, operating result, cash and investments, capital works, financial position and financial sustainability. It is prepared alongside the Annual Plan with specific project and service delivery requirements balance against available resources.

STRATEGY AND PLANNING

Nillumbik's planning framework



DEPARTMENT PLANS

Department Plans are developed annually by each of the organisation's four departments – Community and Leisure; Infrastructure Services; Environment and Planning and Corporate Services. Department Plans describe the services delivered, key projects and performance measures of the department and align with the Annual Plan and Council Plan.

BUSINESS UNIT PLANS

Business Unit Plans are developed by Managers and the staff in their teams alongside the budget process to ensure that the activities of the team – including new initiatives and continuous improvement in service delivery – can be adequately funded.

COUNCIL POLICIES, STRATEGIES AND PLANS ADOPTED IN 2013-2014

| POLICIES, STRATEGIES AND PLANS | ADOPTED |
|--|-------------------|
| Diamond Creek Parking Strategy | 16 July 2013 |
| Road Management Plan | 30 July 2013 |
| St Andrews Township Plan | 13 August 2013 |
| Masterplan 2 Bell Street, Eltham | 27 August 2013 |
| Disability Action Plan | 10 September 2013 |
| Integrated Water Management Strategy | 10 September 2013 |
| Governance Code (incorporating Councillor Code of Conduct) | 10 September 2013 |
| Health and Wellbeing Plan 2013-2017 | 15 October 2013 |
| Bushland and Wetland Reserves Prioritisation and Planning Guidelines | 29 October 2013 |
| Community Use of Council Assets Guiding Principles | 29 October 2013 |
| Positive Ageing Strategy | 12 November 2013 |
| Amenity Local Law | 26 November 2013 |
| Infrastructure Assets Local Law | 26 November 2013 |
| Financial Sustainability Plan | 17 December 2013 |
| Councillor Expenses and Resources Policy | 17 December 2013 |
| Municipal Emergency Management Plan 2014-2017 | 25 March 2014 |
| Privacy Policy | 25 March 2014 |
| Budget 2014-2015 | 24 June 2014 |
| Procurement Policy and Guidelines | 24 June 2014 |

SUSTAINABILITY REPORT

NILLUMBIK
SHIRE COUNCIL
IS COMMITTED TO
ENSURING THE
SUSTAINABILITY OF
OUR ORGANISATION
AND OUR COMMUNITY
INTO THE FUTURE.

ENVIRONMENTAL SUSTAINABILITY

ecoteam wins Green Workplace Award

Council's staff ecoteam won the 2013 Australian Green Workplace Award – Public Sector Category – in recognition of the excellent work it has done to implement sustainable outcomes in our workplace.

Ecoteam members attended the annual Government Sustainability Conference in October to accept the award.

The ecoteam prepared a strong nomination which highlighted successful initiatives implemented, including:

- Recycling systems in kitchen areas, including worm farm for office food waste
- Introducing Myki cards for staff to use when travelling to meetings
- Selling subsidised Keep Cups and Cheeki bottles
- Running regular Power Down computer monitor checks
- Refurbishment of the Council offices to high environmental standards
- Lunchtime ecosessions

The ecoteam was established in 2007 to work with staff to reduce our environmental impacts. By providing education on a range of environmental issues, staff are encouraged to make positive changes in the workplace and beyond.

Enerlogic window film

Enerlogic window film was applied to all windows at the Civic Centre in Greensborough in June. Enerlogic film contains a low-e coating that reflects heat into the building in winter and out of the building in summer, reducing heating and cooling costs by five-15 per cent.

For Council this was a great option in its efforts to become more energy efficient. It was less than a quarter of the cost of replacing the existing windows with double glazed units and reduced the health and safety risk to contractors as installation was on the inside of the existing glass.

Council's most recent gas bill for the winter period was down about 18 per cent on previous years, saving around \$2,300 for that billing period alone. Officers will continue to monitor gas and electricity consumption over the full year to determine exactly how effective the film is. Three smaller facilities have also had Enerlogic installed and those results will also be assessed over the next 12 months.

The installation was one of a number of actions undertaken to make the Civic Centre more energy efficient. A recent audit identified many low cost and no cost actions that will save Council almost \$30,000 in energy costs per year.

Open Farm Day

Farms across Nillumbik opened their gates for the inaugural Nillumbik Open Farm Day in April.

This new incentive by the Nillumbik Agricultural and Advisory Committee, supported by Nillumbik Landcare Network and Council, provides an opportunity for local farmers to showcase their diverse range of farming and techniques that takes place across the Shire.

SUSTAINABILITY REPORT



THE POSITIVE AGEING STRATEGY IS PART OF COUNCIL'S COMMITMENT TO ENABLE A BETTER FUTURE FOR NILLUMBIK RESIDENTS AND ENCOURAGE HEALTHY, SAFE AND RESILIENT COMMUNITIES THROUGH THE PROVISION OF QUALITY SERVICES.

With nine Nillumbik farms opening their gates to the public, visitors went along to discover the story behind the businesses, production, markets, and of course, to meet the animals. They also had a great chance to move around the Shire, meet with farmers and get an understanding of just how diverse our local farming and food production is.

SOCIAL SUSTAINABILITY

Worksafe grant

Council received a \$10,000 WorkSafe Victoria WorkHealth grant to assist in the implementation of an employee health and wellbeing program across the organisation.

This funding was used to provide a series of mental and physical health activities and presentations at various Council workplaces. This included group fitness training provided by YMCA Eltham, healthy eating and cooking and mental health sessions provided by a professional occupational health services provider.

L2P program

The Nye triplets – Kelsey, Scott and Georgia – were among the 150 young people who have so far graduated from Council's L2P driving program. The

Nyes are the second set of triplets to participate in the program which began in November 2011.

L2P was developed to assist young people experiencing difficulty obtaining their mandatory 120 hours of driving practice because of social, economic or geographic reasons. It teams young people with an experience driver mentor for structured practice.

So far over 150 young people have gone through the program and the need continues to grow.

Positive Ageing Strategy

The Positive Ageing Strategy is part of Council's commitment to enable a better future for Nillumbik residents and encourage healthy, safe and resilient communities through the provision of quality services.

The Strategy provides the framework for our older residents to be informed, connected and supported to live and age well. Developed in consultation with older residents, seniors groups and support agencies, the Strategy outlines the actions and priorities over the next five years to positively influence health and wellbeing, housing, opportunities to engage in social activities and transport options.

Positive ageing is about older adults having confidence and pride in growing older and being respected, valued and viewed as valuable contributors to the community. Despite chronological age or health status, older adults should be able to live the life they choose, knowing that support and assistance is readily available from the community around them.

FINANCIAL SUSTAINABILITY

Financial Sustainability Plan

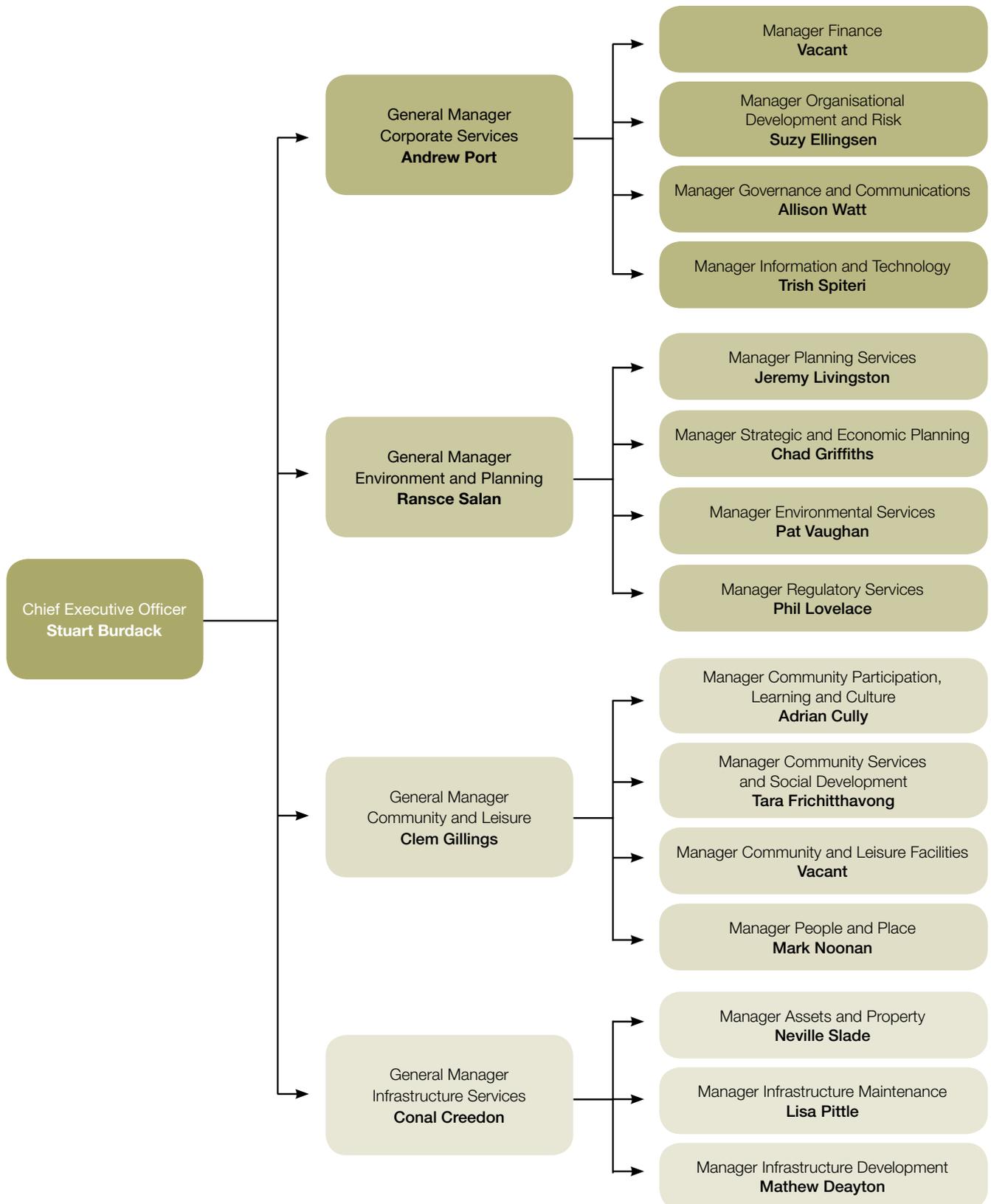
Council adopted its Financial Sustainability Plan in December 2013. This represented a significant policy decision by Council and fulfils a commitment made in the Council Plan 2013-2017.

The plan identifies the challenges and issues facing Council in terms of financial sustainability. It also establishes the principles that Council will follow in managing its finances and making important decisions.

Most importantly, it provides a series of measures and targets for Council to monitor its ongoing financial sustainability and to report on its progress.

OUR ORGANISATION

OUR STRUCTURE



OUR ORGANISATION

EXECUTIVE MANAGEMENT TEAM



Stuart Burdack
Chief Executive Officer

Stuart joined Nillumbik as Chief Executive Officer in August 2010. Stuart has worked in local government for more than 20 years in a variety of senior roles. Prior to commencing with Nillumbik, Stuart was the CEO at Glenelg Shire and a General Manager for the City of Darebin in Melbourne.

Stuart's local government career has seen his involvement in a variety of strategic planning and regional development projects including the Great South Coast Regional Plan, Green Triangle Region Freight Action Plan and the planning, construction and operation of Commonwealth Games facilities.

Stuart holds a number of degrees including a Master of Business in Management, Graduate Diploma in Management, Bachelor of Applied Science and a Company Directors Diploma. He is a member of the Australian Institute of Management, the Australian Institute of Company Directors and Local Government Professionals.



Andrew Port
General Manager
Corporate Services

Andrew was appointed as General Manager Corporate Services in December 2007.

He has been with Nillumbik since 2000 in his prior role as Manager Major Projects and Business Services. Andrew has 25 years experience in Victorian local government including roles at the Cities of Boroondara and Camberwell.

Andrew has a Bachelor of Business, Post-Graduate Diploma in Finance, MBA.



Ransce Salan
General Manager
Environment
and Planning

Ransce joined Nillumbik in late 2010. Previously he was the Director of Planning and Environment at Devonport City Council in Tasmania.

Other local government roles include Group Manager Development and Natural Resources at Eurobodalla Shire in New South Wales; Divisional Manager of Sustainable Development at Eurobodalla and Manager Sustainability at Kogarah Council in Sydney.

Ransce has a Masters of Business Administration with majors in Local Government and Marketing; a Graduate Diploma of Management; a Bachelor of Applied Science (Environmental Health) and has also undertaken post graduate studies in Urban Living, Architecture and Urban Design.

He is a Certified Practicing Planner, Building Surveyor and Environmental Health Officer.



Clem Gillings
General Manager
Community
and Leisure

Clem has a broad range of experience at both local and state government levels.

Prior to joining Nillumbik she was the Community Engagement Manager – North and West Metropolitan Team within the Department of Victorian Communities.

Previously, Clem held several managerial roles within the Community Support Fund of the Department of Victorian Communities.

She has also held senior roles within the Department of Human Services and the Department of Community Services.

Clem was a councillor with the Shire of Macedon Ranges for a number of years and held the position of Mayor in 2001.



Conal Creedon
General Manager
Infrastructure
Services

Conal trained and worked as an engineer in Ireland before migrating to Australia.

He started his Local Government career at the former Shire of Eltham before moving to the City of Moreland, Shire of Yarra Ranges and joined Nillumbik Shire Council in his current role in August 2005.

In addition to a Bachelor of Engineering, Conal holds postgraduate qualifications in Municipal Engineering and a Masters of Business Administration.

OUR SURVEY

ANNUAL COMMUNITY SURVEY 2014

Better public transport, road maintenance and traffic management are the most common issues that residents want Council to lobby the State Government on in the lead-up to this year's State Election.

The findings are detailed in the results of the 2014 Annual Community Survey conducted on Council's behalf by Metropolis Research in February this year. The survey involved face-to-face interviews with 500 randomly-selected residents across five precincts of the Shire including Diamond Creek, Greensborough, Eltham, Eltham North and rural townships.

In this year's survey respondents were asked to identify issues they considered Council should advocate for from the State Government in this election year. Our residents identified 58 separate issues, however the most common were public transport (12.4 per cent), roads maintenance and repairs (11.2 per cent), road development/access to Ring Road (9.4 per cent) and traffic management (9.2 per cent).

And our residents' satisfaction with the volume of traffic on both local (5.66 out of 10) and main (4.64 out of 10) roads fell significantly in 2014 and are now rated at levels categorised as poor and very poor.

Residents are most satisfied with:

| | |
|------------------------|-------------|
| Local library | (mean) 8.12 |
| Green waste collection | 7.95 |
| Garbage collection | 7.88 |
| Regular recycling | 7.87 |
| Services for children | 7.76 |

Residents are least satisfied with:

| | |
|---|-------------|
| Council-owned public toilets | (mean) 5.62 |
| Footpath maintenance and repairs | 5.82 |
| Street sweeping | 5.86 |
| Traffic management | 5.92 |
| Provision and maintenance of street trees | 5.92 |

* Score out of 10

In other survey findings, Nillumbik residents are most satisfied with their local library, waste and recycling services and services for young children. They are least satisfied with public toilets, footpath maintenance and repairs, street sweeping, traffic management and provision and maintenance of street trees.

The Annual Community Survey aims to measure the importance to the community of a broad range of Council services and facilities and to gauge their satisfaction with these services. This information is used by Council to prioritise areas for improvement and inform future budget deliberations.

Community satisfaction with Council's overall performance is 6.16 out of 10, which is a decrease on the 2013 result of 6.44. This level of satisfaction remains categorised as 'solid'.

The average satisfaction with the five aspects of governance and leadership is rated at 6.29 out of 10 in 2014, down on the 6.43 recorded in 2013.

Traffic management is the most common issue that residents want Council to address with it being identified by 27 per cent of survey respondents, up marginally from 25.6 per cent in 2013. Road maintenance and repairs, Council rates, bushfire management/prevention and rubbish/waste issues were the other top issues identified.

The survey also reported on residents' satisfaction with Council's quarterly newsletter *Nillumbik News* and the website; housing-related financial stress and involvement and satisfaction with planning.

The survey results are available on Council's website www.nillumbik.vic.gov.au

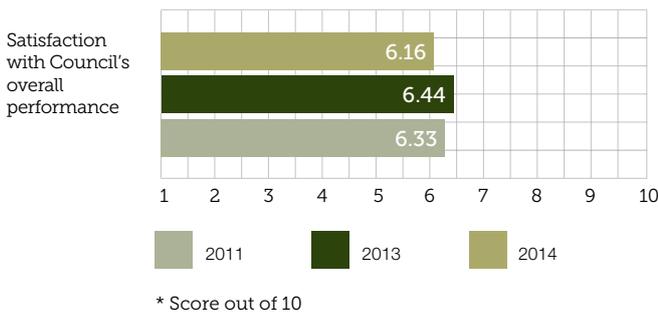


OUR SURVEY

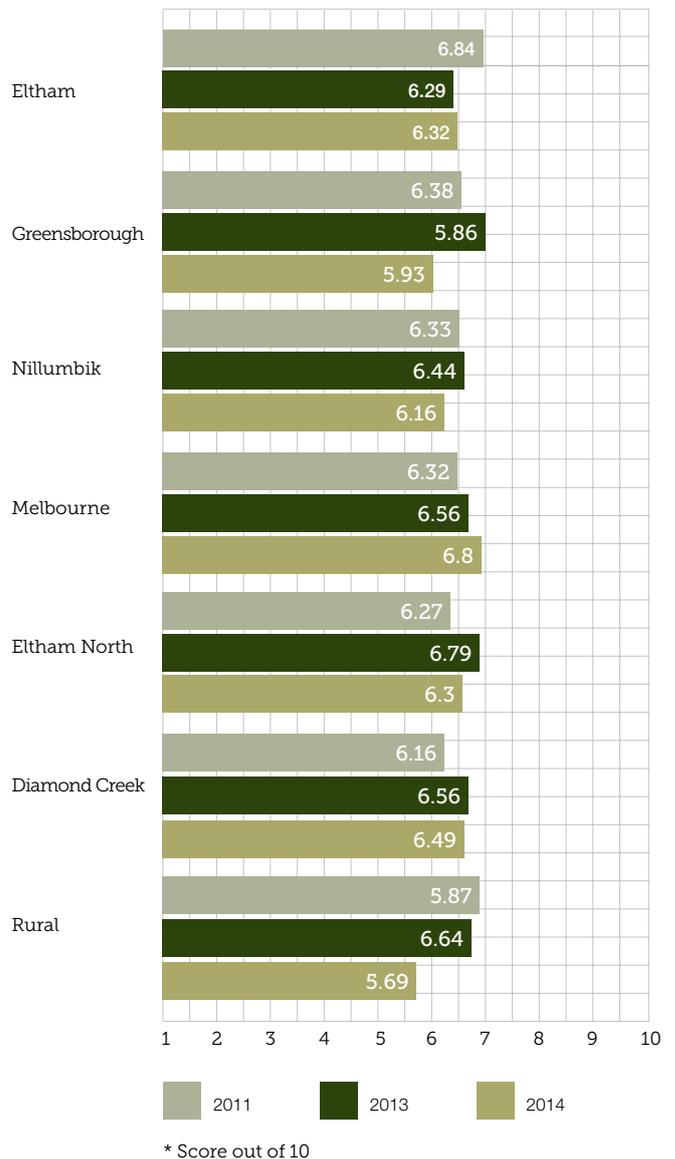


NILLUMBİK RESIDENTS ARE MOST SATISFIED WITH THEIR LOCAL LIBRARY, WASTE AND RECYCLING SERVICES AND SERVICES FOR YOUNG CHILDREN.

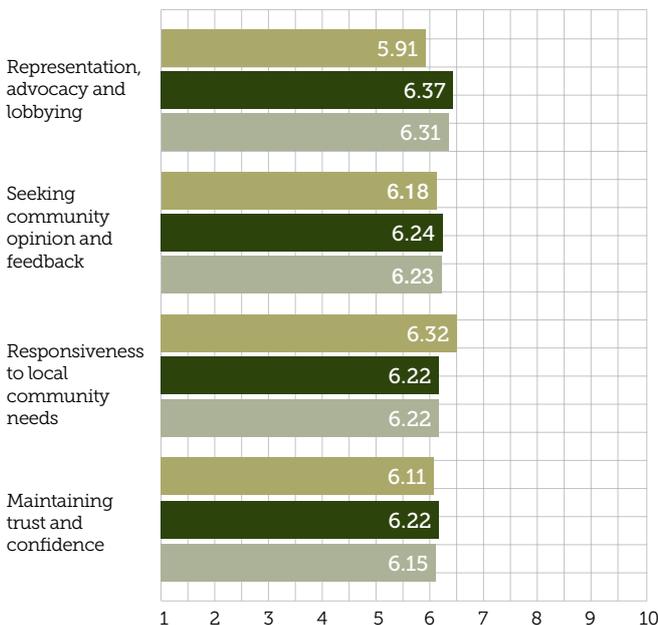
Satisfaction with Council's overall performance



Overall satisfaction by precinct



Satisfaction with aspects of governance and leadership



ADVOCACY AT NILLUMBIK

COUNCIL'S
ADVOCACY CAMPAIGN
FOR A BETTER DEAL
FOR NILLUMBIK IN
THE LEAD UP TO THE
NOVEMBER 2014
STATE ELECTION
FORMED A BIG PART
OF COUNCIL'S WORK
THIS YEAR.

Eleven major projects across the Shire were endorsed as high priorities for funding over the short, medium and long term as identified through Council's many adopted strategies and masterplans.

These include new assets to meet emerging community needs, as well as ongoing renewal and upgrade of some of the \$500 million worth of assets that Council manages on the community's behalf.

The priority projects are:

- Diamond Creek Community Centre redevelopment
- Eltham Leisure Centre aquatics redevelopment
- Diamond Creek Recreation Trail (Diamond Creek to Hurstbridge)
- Commuter on-road trail (Hurstbridge to Wattle Glen)
- Green Wedge Recreation Trail (Alma Road, Smiths Gully)
- Maroondah Aqueduct Recreation Trail
- Edendale Community Environment Centre
- Soccer facility expansion and baseball relocation (Wattle Glen, Diamond Creek and Eltham North)
- Eltham Community and Reception Centre upgrade
- Diamond Creek Reserve footbridge
- Main Road/Leanne Drive traffic management

Many of these projects are eligible for external funding from the State and Commonwealth Governments either through existing funding programs or through pre-election commitments ahead of the 2014 State Election.

As part of Council's advocacy campaign, Councillors and senior executives met with State and Federal Members of Parliament and election candidates to brief them on the priority issues. It included a video highlighting the issues and priority projects which was made publicly available on Council's website and YouTube channel.

In addition to its own advocacy, Council took an active role in advocacy campaigns run by the Northern Region Councils and Melbourne's Interface Councils.

The Northern Horizons – 50 Year Infrastructure Strategy for Melbourne's North was developed to identify and address crucial gaps where infrastructure is not keeping pace with growth in one of the fastest growing regions in Victoria.

The strategy is a partnership between the eight councils of the northern region – Nillumbik, Whittlesea, Hume, Darebin, Banyule, Moreland, Yarra and Mitchell – along with NORTH Link, Latrobe University, Northern Melbourne Regional Development Australia.

The project evaluated social, transport, utility, economic and environmental services in the northern region compared to the rest of Melbourne. Important short term priorities for Nillumbik include improved access to public transport, improved arterial roads such as Yan Yean Road, provision of aged care places, faster NBN rollout, a new hospital in the north and implementation of a regional trails strategy.

Nillumbik residents were among the community groups from the outer suburbs who rallied at four community meetings – including one hosted by Nillumbik – to discuss concerns about their unfair treatment by the Napthine Government's 2014-2015 budget.

Residents are upset about getting a seven per cent of the government's key infrastructure budget, despite their areas hosting almost half of Victoria's population growth during the past five years.

While Nillumbik does not have the high growth of some of our neighbouring municipalities, we have community infrastructure renewal needs and green wedge management responsibilities that require State Government funding support.

COMMUNICATIONS AND COMMUNITY ENGAGEMENT

NILLUMBIK SHIRE COUNCIL HAS A LONGSTANDING COMMITMENT TO EFFECTIVELY COMMUNICATE AND ENGAGE WITH OUR COMMUNITY ON MATTERS, ISSUES AND ACTIVITIES THAT IMPACT THEM.

Communication

Nillumbik News is Council's key publication for the community. It is issued quarterly and distributed to more than 22,000 homes, businesses and community venues across the Shire.

The 16-page magazine provides information on projects, programs, activities and services on offer from Council. The magazine also provides calendars with information about Council-run or supported events and activities across the Shire.

There are details about how the community can get involved in projects that are open for consultation and the magazine has a regular feature-piece. Information about the environment, arts projects and opportunities for youngsters to get involved with the wide variety of events on offer, regularly feature in the magazine.

The programs for the Living & Learning Centres are included in the magazine twice a year with details about the professional and short courses that are on offer.

Council produces many other publications, brochures, fact sheets and supporting material including the Council Plan, Live Local Plant Local and the Service Excellence Charter to name a few.

Council values a good relationship with the local media and provides advertising to the *Diamond Valley Leader* and the local community newspapers including *Warrandyte Diary*, *Whittlesea Town Crier*, *Arthurs Creek News* and *Hurstbridge Roundabout*.

Proactive information is provided to the local newspapers with 115 media releases issued last year.

Digital

Nillumbik Council's website attracted 143,238 users last year with 718,527 pages viewed.

The website has a number of specific functions to assist residents including What's Near Me, where residents can find what community facilities are near to their home, who their Councillor is and when their bins are to be collected.

The website also has a community directory where residents can search Council's database for the wide variety of community facilities or services on offer across Nillumbik.

With the increasing number of residents accessing Council's website from their phone or tablet, Council will be providing a mobile friendly version of the website in the next financial year.

A number of different e-newsletters are on offer from Council including:

- Arts
- Leisure
- Living & Learning Centre
- Edendale
- Environment

More than 60 e-newsletters were issued last year to more than 6,000 people. Nillumbik Council has grown its presence in the social media sphere in the last 12 months with an increase from 74 to 212 'likes' on the corporate Facebook page. At the end of June 2014 there were 673 followers on Council's Twitter account.

Social media is a growing focus for Council to increase the amount of engagement with residents in ways and times that suit them best.

Community engagement

Community engagement is an element of Council's good corporate governance procedures. Our internal Community Consultation Framework provides management and staff with the information, tools and support to consult effectively. It is divided into three sections:

- A public statement of commitment
- Guidelines
- Template/working documents

Key community engagement activities during the year focused on consulting with local communities and other stakeholders on various aspects of Council's operations including planning and development matters, engineering projects, environmental and community safety issues and service delivery.

Some of the many ways in which Council engages with its community are:

- Via the Talkback panel of 100 households
- By hearing submissions at Committee meetings
- By receiving questions from the public gallery at Council meetings
- By holding consultation meetings on planning applications
- By inviting community participation on 22 Advisory committees
- By holding ward meetings hosted by the ward councillor
- Via social media
- Through our Annual Community Survey which involves 500 face to face interviews
- By inviting public comment on major projects and strategies via the Have Your Say page of the website and submissions to Council
- By holding public meetings and workshops on major issues which impact local communities



OUR GOAL IS TO ENABLE A
BETTER FUTURE FOR NILLUMBIK
RESIDENTS AND ENCOURAGE
HEALTHY, SAFE AND RESILIENT
COMMUNITIES THROUGH THE
PROVISION OF QUALITY SERVICES.

COUNCIL PLAN 2013-2017

Our community at a glance...

**\$24.3
million**

Operating expenditure

CORE ACTIVITIES

- Leisure services and facilities
- Libraries
- Learning, arts and culture
- Community development and planning
- Public health protection and regulation
- Animal management
- Aged and disability services
- Family, youth and children's services
- Bushfire recovery

INTERESTING FACTS

- 378 Living & Learning courses and 3,126 enrolments across three centres
- 85 children and 55 families accessing Family Day Care
- 157 children and 137 families accessing Panton Hill and Eltham playhouses
- 615 birth notifications
- 68 immunisation sessions held with 7,229 immunisations administered
- 620 hours of property maintenance
- 11,760 delivered meals
- 1,500 volunteer driver hours
- 8,997 participants in environmental education programs
- 67,362 plants sold from the nursery
- 11,177 dogs registered
- 3,273 cats registered
- 179 tobacco education visits undertaken and 76 tobacco test purchases made
- 657 inspections of registered premises
- 880 young people took part in outreach programs
- 600 young people took part in the production of the Blacksmiths Tree song

314,210

visits and 942,657 loans at Eltham and Diamond Valley libraries

1,733,350

visits to six major recreation facilities

666

children enrolled for preschool

23,000 hours

of home care

30,228km

of community transport

69,360

visitors to Edendale Community Environment Farm

142,316

people took part in one or more of Council's arts and culture programs

OUR COMMUNITY



COUNCIL
ENDORSED A
COMMUNITY
PARTNERSHIP
MODEL FOR THE
MANAGEMENT OF THE
NEW HURSTBRIDGE
COMMUNITY HUB.

ACHIEVEMENTS

Council's four-year Health and Wellbeing Plan 2013-2017 was adopted. The plan outlines Council's vision for planning, protecting, and promoting health and wellbeing within the Shire.

The purpose of the plan is to communicate the strategic direction that Council will facilitate over the next four years through collaborative partnerships with service providers, other government agencies and local organisations, and the Nillumbik community.

The Municipal Emergency Management Plan (MEMP) was updated, adopted by Council and was audited as best practice by Vic SES. The MEMP is current and compliant with the guidelines published in the Emergency Management Manual Victoria.

Council endorsed a community partnership model for the management of the new Hurstbridge Community Hub. Council will retain the overall facility management role of the facility and will continue to manage and provide the maternal and child health services

and the community centre functions and operations. A community organisation will manage the childcare service in partnership with Council. To assist with developing the service Council will provide a negotiated subsidy for an agreed period of time. A Community Stakeholder Group will be established to provide ongoing ownership and community connection to the facility.

Council resolved to implement stage one of the redevelopment masterplan for the Eltham Leisure Centre and to seek external government funding for the \$15 million. It will involve replacing the ageing aquatics with new facilities including a new warm water pool.

Purina provided \$30,000 towards the development of a dedicated dog park in Diamond Creek – the first of its kind in the Shire.

This generous donation together with Council's allocation of \$25,000 will enable Council to provide landscape and rock features for dogs to clamber through, an education and training area, a separate small dog area, and litter bins and seating.

CHALLENGES

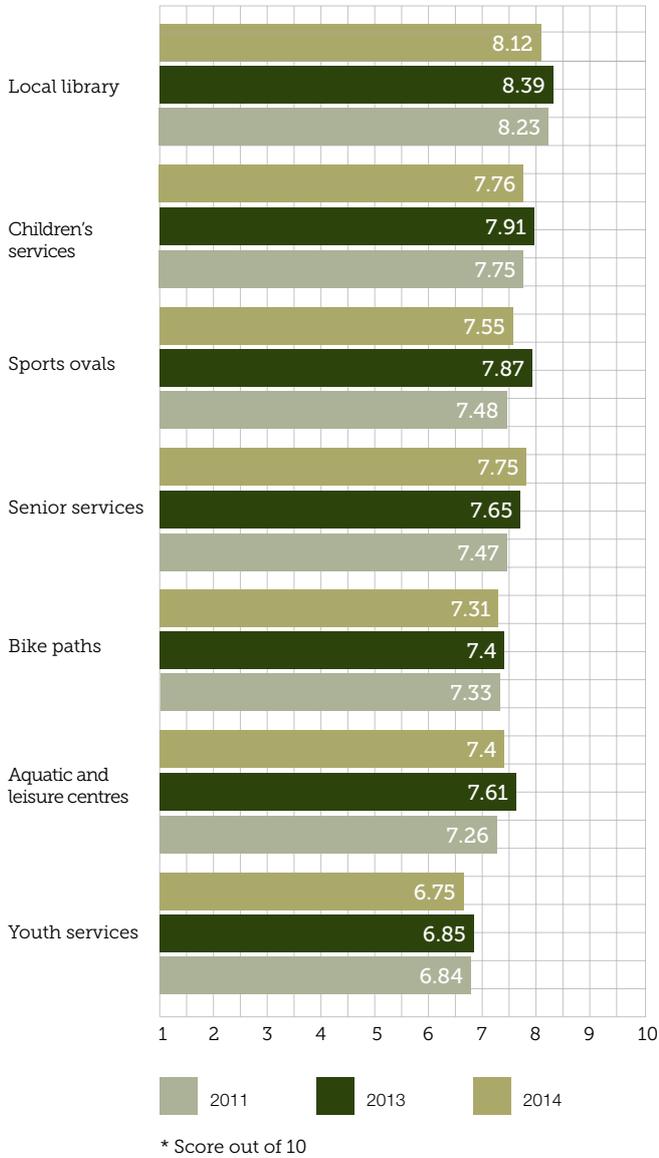
A draft Soccer Strategy was released for community comment and Council received many submissions from community groups and individuals. Based on the submissions received, some changes were made to the strategy before it was presented to Council again in August.

THE YEAR AHEAD

- Prepare detailed design for Diamond Creek Community Centre
- Appoint a childcare operator for new Hurstbridge centre
- Partner with agencies to get a Headspace service in the north east

OUR COMMUNITY

Satisfaction with community and leisure services



OUR COMMUNITY

HOW WE PERFORMED AGAINST THE COUNCIL PLAN

Completed  In progress 

| COUNCIL PLAN STRATEGY | ACTION | STATUS |
|---|--|---|
| We will strive to make our Shire safe by meeting our statutory responsibilities for emergency management including the risks of natural disasters such as fire and flood. | The Municipal Emergency Management Plan is updated and adopted by the Municipal Emergency Management Planning Committee by February 2014. |  |
| | Achieve a 'Certificate of Audit' as complying with the guidelines for the Municipal Emergency Management Plan by 30 June 2014. |  |
| We will deliver programs to support community awareness of and resilience to emergencies and natural disasters, in partnership with other agencies. | Implement the Resilient Nillumbik project, creating a model to identify communities of interest and conduct one community resilience project by June 2014. |  |
| We will create opportunities and places for all individuals, regardless of age or ability, to volunteer and participate in community life. | Complete a review of Nillumbik's community transport system to determine future delivery of the Saturday bus, Medical Companions Program and Volunteer Driver Pool and report back to Council with recommendations by December 2013. |  |
| We will plan and deliver accessible community services that enhance health and wellbeing across all life stages. | Inspect 400 business premises annually in accordance with health and food safety regulations. |  |
| | Design a management and governance structure for the Hurstbridge Community Hub for Council approval by March 2014. |  |
| | Deliver Home and Community Care services to eligible frail, aged, disabled residents or carers including 3,000 delivered meals each quarter and 6,500 hours of care each quarter. |  |
| | Provide 800 preschool placement offers per year. |  |
| We will partner with health and community sector agencies to ensure residents have access to services they need. | Complete the four-year Municipal Health and Wellbeing Plan for Council adoption by October 2013. |  |
| We will provide recreation and sport facilities and services to enhance social participation and to help our community be active and healthy. | Prepare a draft Nillumbik Soccer Strategy for Council consideration by September 2013 within a budget of \$7,500. |  |
| | Evaluate options for the Eltham Leisure Centre Aquatics redevelopment for consideration by Council by September 2013. |  |
| We will provide our community with opportunities for education, lifelong learning and creative pursuits. | Implement actions for 2013-2014 from the Cultural Plan 2011-2017. |  |
| | Achieve a minimum of 3,750 enrolments in courses provided by Living & Learning Nillumbik. |  |
| | Achieve a minimum of 7,000 people participating in environmental education programs at Edendale. |  |
| | Provide quality library services, with annual borrowing rates exceeding 980,000 items. |  |
| We will engage the community in enhancing local neighbourhoods to make them welcoming and vibrant places. | Complete technical assessments and engage the Hurstbridge community to inform an advocacy strategy for future uses of the former secondary college precinct by September 2013. |  |
| We will promote responsible pet ownership to protect our residents and the environment. | Review Council's provision of off-leash dog areas and associated policy, particularly in relation to sportsfields and trails by December 2013. |  |
| | Implement year one actions from the Domestic Animal Management Plan. |  |

OUR COMMUNITY

COUNCIL PLAN STRATEGIC INDICATORS

Completed  Not Completed 

| STRATEGIC INDICATOR | 2013-2014 | RESULT |
|--|---|---|
| Achieving a certificate of audit for complying with the guidelines for a Municipal Emergency Management Plan. | The Municipal Emergency Management Plan was audited by an audit panel headed by the Victorian State Emergency Service. The panel assessed the plan as more than adequately complying with the guidelines (best practice) for all 24 audit areas. |  |
| Increased satisfaction with access to community services as measured through the Annual Community Survey. | <p>There was a slight decrease in satisfaction with six of seven service areas from 2013 to 2014.</p> <ul style="list-style-type: none"> Libraries 8.12* Seniors services 7.75* Aquatic facilities 7.4* Youth services 6.75* Children's services 7.76* Sports ovals 7.55* Bike paths 7.31* <p>*Out of 10.</p> |  |
| Perception of safety in public areas as measured through the Annual Community Survey. | <p>The perception of safety in the public areas of the Shire of Nillumbik remains high in 2014, with no meaningful variation from the 2013 results.</p> <ul style="list-style-type: none"> Feel safe travelling on trains 7.14* Feel safe at night 7.50* Feel safe in and around activity centres 8* Feeling safe during the day 8.91* <p>*Out of 10.</p> |  |
| High participation rates at recreation facilities, libraries, Living & Learning Centres, arts and cultural programs. | 314,210 visits and 942,657 loans at Eltham and Diamond Valley libraries. 1,733,350 visits to six major recreation facilities. 378 Living & Learning courses and 3,126 enrolments across three centres. |  |
| High participation rates in preschools. | 666 children enrolled for preschool. 85 children and 55 families accessing Family Day Care. 157 children and 137 families accessing Panton Hill and Eltham playhouses. |  |
| High participation rates in Maternal and Child Health and immunisation programs. | <p>615 birth notifications. 68 immunisation sessions held with 7,229 immunisations administered. Key age and stage targets met and reported to DEECD.</p> <ul style="list-style-type: none"> Home visit 98% 4 week 98% 4 month 98% 12 month 93% 2 year 84% 2 week 98% 8 week 100% 8 month 89% 18 month 84% 3.5 year 83% |  |

BUDGET 2013-2014 KEY STRATEGIC ACTIVITIES

Completed  Not Completed 

| STRATEGIC ACTIVITY | PERFORMANCE MEASURE | TARGET | RESULT |
|---|--|------------------|---|
| Implementation of Fire Prevention Works Program | Percentage of actual to budgeted expenditure on fire prevention program works. | >95% |  |
| Preparation of new Health and Wellbeing Plan | Date before which Council approves Health and Wellbeing Plan. | 31 October 2013 |  |
| Review of Local Laws | Date before which Council completes the reviews of its three local laws. | 30 November 2013 |  |



OUR GOAL IS TO PRESERVE
AND NURTURE THE NATURAL
ENVIRONMENT OF THE GREEN
WEDGE THROUGH RESPONSIBLE
LEADERSHIP AND STEWARDSHIP
FOR CURRENT AND FUTURE
GENERATIONS.

COUNCIL PLAN

2013-2017

Our natural environment at a glance...

\$6.2
million
Operating expenditure

CORE ACTIVITIES

- Collection of waste, hard waste, green waste and recycling
- Land use planning and policy
- Environmental planning and policy
- Edendale Community Environment Farm
- Environmental education and events
- Energy efficiency programs
- Landfill rehabilitation
- Water quality and conservation
- Biodiversity protection
- Land erosion and management works
- Management of conservation reserves
- Land management advice
- Weed and pest control
- Street tree planting

7,907

people took part in environmental activities

563,030

waste collections provided and 563,030 recycling collections

1,126,060

green organics collections provided

6,500+

indigenous plants planted within reserves

\$61,076

awarded in 60 Land Management Incentive Program grants (22 small grants, 33 medium grants and five community support grants) to help Nillumbik residents address land degradation, improve their properties and protect and enhance biodiversity.

INTERESTING FACTS

- Energy efficient LED lighting installed in 14 Council buildings
- Eight solar PV systems with a capacity of 46.5kW installed on Council buildings
- 2,252,120 total waste, recycling and green organic collections provided
- 5,290 requests for waste services
- 99 bushland and wetland reserves covering 495 hectares maintained

OUR NATURAL ENVIRONMENT



THE HURSTBRIDGE WETLANDS AND STORMWATER HARVESTING SYSTEM WAS COMPLETED AND OPENED TO THE PUBLIC.

ACHIEVEMENTS

The Conservation Corridors Project – undertaken by Council and local Landcare groups – was recognised as a finalist in the prestigious United Nations Association of Australia, World Environment Day Awards 2014 in two categories; the Virgin Australia Community Award category and the Biodiversity Award category.

Coinciding with World Environment Day on 5 June, the Awards recognise and celebrate innovative and outstanding environmental programs and initiatives across Australia.

The Integrated Water Management Strategy was adopted by Council. It was prepared in response to Council's

commitment to enhance the practical and strategic approach to water management. The adoption of the strategy will provide Council with significant opportunities to reduce potable water consumption, improve water quality and engage with the community on water issues.

Council supported 22 'Friends of' groups across the Shire to hold local activities. Friends of groups are volunteers with an interest in a particular park, reserve or species of native plant or animal. Members are involved in activities such as planting, weed control, mulching, plant and animal monitoring and water quality monitoring. Friends groups do over 2,000 hours of volunteer work in Council bushland reserves each year and play a vital role in protecting threatened natural environments.

The Fire Prevention Works Program for 2013-2014 was prepared based on the Municipal Fire Management Plan (MFMP) which was prepared by the Municipal Fire Management Committee and adopted by Council in April 2013. The MFMP identifies 'priority' roads and actions for fire prevention purposes. The program also identifies work in Council reserves, principally to maintain existing buffers and fuel breaks, as well as the annual roadside slashing works.

The Hurstbridge Wetland will capture and treat stormwater from residential streets to irrigate local sports grounds, use for road grading and improve the quality of water running into the Diamond Creek, as well as enhance the appearance and environmental characteristics of the area.

OUR NATURAL ENVIRONMENT



THE MINISTER FOR PLANNING REVIEWING THE BMO WHICH HAS IMPLICATIONS FOR THE INVESTIGATION OF SMALL, SUBSTANDARD LOTS IN RURAL GREEN WEDGE.

CHALLENGES

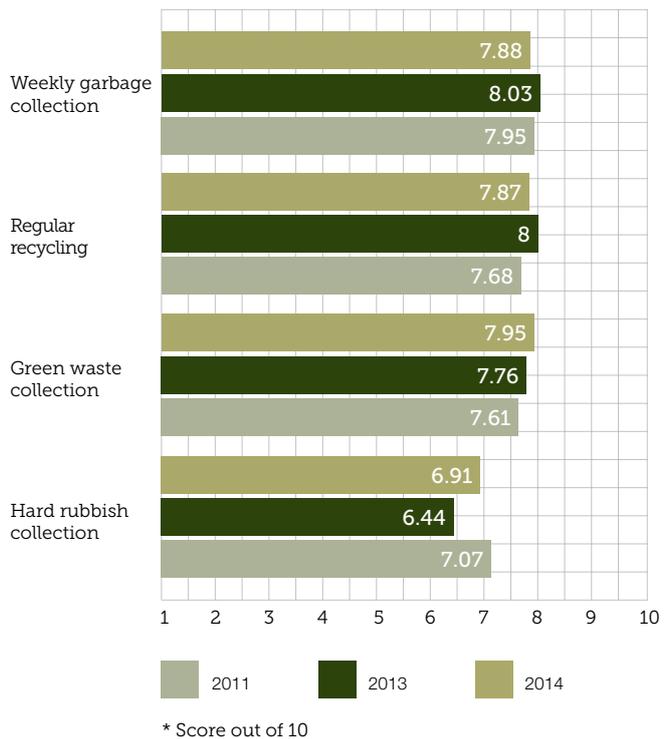
The Minister for Planning reviewing the BMO which has implications for the investigation of small, substandard lots in rural Green Wedge.

A project to audit energy efficiency at Council's Civic Centre in Greensborough started but was not completed due to complications in receiving data that could be analysed effectively.

THE YEAR AHEAD

- Prepare and exhibit the Landscape Character amendment
- Complete 90 per cent of the fire management works program by 31 December 2014
- Review and update the Climate Change Action Plan

Satisfaction with waste collection services



OUR NATURAL ENVIRONMENT

HOW WE PERFORMED AGAINST THE COUNCIL PLAN

Completed  In progress 

| COUNCIL PLAN STRATEGY | ACTION | STATUS |
|---|--|---|
| We will protect Nillumbik's Green Wedge from expansion of the Urban Growth Boundary (UGB). | In accordance with the Green Wedge Management Plan complete the investigation of small, substandard lots in rural, Bushfire Management Overlay areas and report results to Council by December 2013. |  |
| | Implement the recommendations of the Green Wedge Management Plan and report progress to Council by April 2014. |  |
| | Prepare Amendment C81 to the Nillumbik Planning Scheme to implement the recommendations of the Landscape Character Assessment and commence exhibition by October 2013. |  |
| We will work to protect the Shire's biodiversity and ensure that ecosystems are healthy, resilient, productive and connected across the landscape. | Implement the Biodiversity Strategy and report progress to Council by June 2014. |  |
| | Review the Environmental Significance Overlay and report to Council by August 2013. |  |
| We will provide leadership and opportunities for our community to participate in the conservation of natural resources through best practice land management. | Support the 22 'Friends of' groups with at least one key activity per group in 2013-2014. |  |
| | Assist Landcare groups to deliver the Nillumbik Conservation Corridors project. |  |
| We will responsibly manage our conservation reserves and open spaces with an emphasis on fire prevention and weed eradication. | Develop Council's annual fire management works program by 30 September 2013 and complete 95 per cent of works by 31 December 2013. |  |
| | Implement the Pantom Hill Bushland Reserve System Management Plan, including conducting at least three community working bees. |  |
| We will increase our stormwater harvesting and storage capacity to reduce reliance on drinking water and contribute to improved water quality in our waterways. | Finalise the Integrated Water Management Plan for Council adoption by September 2013. |  |
| | Construct the Hurstbridge stormwater recycling project by June 2014. |  |
| We will provide environmental best practice services in waste and recycling. | Achieve a greater than 65 per cent diversion rate of recyclable/recoverable material from kerbside waste by June 2014. |  |
| We will lead the Local Government sector in energy-efficient practices to reduce our carbon footprint. | Audit energy efficiency at the Civic Centre and report the results and recommendations to Council by May 2014. |  |

OUR NATURAL ENVIRONMENT



69 PER CENT OF TOTAL KERBSIDE WASTE COLLECTED IN 2013-2014 WAS RECYCLABLE.

COUNCIL PLAN STRATEGIC INDICATORS

Completed  In progress  Not Completed 

| STRATEGIC INDICATOR | 2013-2014 | RESULT |
|---|---|---|
| Completion of annual Green Wedge Management Plan actions. | Excellent progress was made implementing the GWMP's 54 priority actions, with 51 complete or underway (93 per cent) up to the end of December 2013. This compares with 85 per cent by the end of December 2012. |  |
| High percentage of diversion of waste from landfill through kerb side waste collections. | 69 per cent of total kerbside waste collected in 2013-2014 was recyclable. |  |
| Increase in Council's stormwater harvesting and recycling capacity. | The construction of the Hurstbridge Wetland and Lake was completed. This harvesting and storage system will enable Council to reduce its potable water consumption by 15 megalitres a year. |  |
| Reductions in Council buildings' electricity and gas consumption. | A new utility data management system was introduced to enable Council to better report on electricity and gas consumption. Initial analysis indicates that there has been a reduction in energy consumption of 1470 GJ from 2006 to 2013 and a further reduction of 229 GJ for the 2013-2014 financial year. A full report on electricity and gas consumption will be presented as part of the State of Environment Report in March 2015. |  |
| Increased satisfaction with environmental management as measured through the Annual Community Survey. | Satisfaction with meeting responsibilities towards environment fell slightly from 7.12* in 2013 to 6.91* in 2014. *Out of 10. |  |
| Positive trends in the State of Environment Report published every two years. | The biennial report is due in March 2015. |  |

BUDGET 2013-2014 KEY STRATEGIC ACTIVITIES

Completed 

| STRATEGIC ACTIVITY | PERFORMANCE MEASURE | TARGET | RESULT |
|----------------------------------|--|--------|---|
| Diversion of waste from landfill | Recyclable/recoverable material collected as per cent of total kerbside waste. | >65% |  |



OUR GOAL IS TO PROVIDE
INFRASTRUCTURE AND TO PLAN
FOR A BUILT ENVIRONMENT WHICH
RESPECTS AND PRESERVES THE
UNIQUE CHARACTER OF THE
GREEN WEDGE SHIRE.

COUNCIL PLAN 2013-2017

Our built environment at a glance...

**\$21.5
million**

Operating expenditure

CORE ACTIVITIES

- Local roads, bridge and footpaths
- Planning permits and regulation
- Public transport and main roads advocacy
- Building safety and regulation
- Traffic control and road safety
- Building permits
- Bus shelters
- Subdivision regulation and supervision
- Pedestrian crossings
- Heritage protection and memorials
- School crossing supervisors
- Property maintenance and fencing
- Car parking regulation and car parks
- Septic tank regulation
- Street lighting
- Amenity and noise control
- Graffiti control

INTERESTING FACTS

- Four bus shelters installed
- 5,620 Shire-wide condition audits
- 1,644 trees inspected and maintained
- 92 playgrounds maintained
- 527 decisions made on planning applications
- 30 bushfire rebuilding site plans issued
- 1,028 total planning decisions made
- 97% of applications approved
- 60% of Council decisions upheld at VCAT
- Building permits issued for 22 dwellings, 26 alternations and additions, 16 commercial premises and 117 miscellaneous
- 64 septic tank applications were lodged resulting in 122 inspections being undertaken

\$300,000

of roads and drains constructed as part of Special Charge Schemes

480 hectares

of open space maintained and 30 hectares of ovals were mowed 34 times

2,506

road and footpath defect inspections carried out

435km

sealed roads maintained and 365km unsealed roads maintained. 300km constructed drains maintained

5,649

parking notices issued

613

disabled parking permits issued

OUR BUILT ENVIRONMENT



ACHIEVEMENTS

Amendment C60 to protect the significant and unique character of the Hurstbridge main street was approved by Planning Minister Matthew Guy. Amendment C60 incorporates the Hurstbridge Township Strategy and Urban Design Guidelines into the Nillumbik Planning Scheme. A much loved historic township, Hurstbridge features a beautiful collection of heritage buildings and a unique old world charm.

Construction of the \$4.6 million Hurstbridge Family Centre was completed. The centre will offer a 50-place long day care and occasional care; maternal and child health services; community space for all ages and stages of life for local activities such as community meetings, parent support groups, disability support groups, University of the 3rd Age (U3A), youth groups, women's groups and a range of complementary services, shared consulting and meeting spaces for much-needed outreach services such as youth support.

Council awarded a \$2.24 million building contract for the construction of the new St Andrews Community Centre. Council issued a planning permit for the project the same week.

The redevelopment of the St Andrews Community Centre was identified as a key priority by the St Andrews Community Bushfire Recovery Association (SACBRA) following a range of community surveys, workshops and deliberations.

Consultation on the draft Integrated Transport Statement was conducted in May and June. The statement encourages opportunities for transport mode change, that is to use public transport, walking and cycling as an alternative to private transport. It recognises the pressures on the road network, bus and rail services and list identified projects to improve transport within the Shire.

CHALLENGES

An amendment to incorporate the St Andrews Urban Design Guidelines into the Nillumbik Planning Scheme proved to be more complex than anticipated with tensions between vegetation controls in the guidelines and CFA recommendations needing resolution. Authorisation will be sought from the Planning Minister in the next financial year.

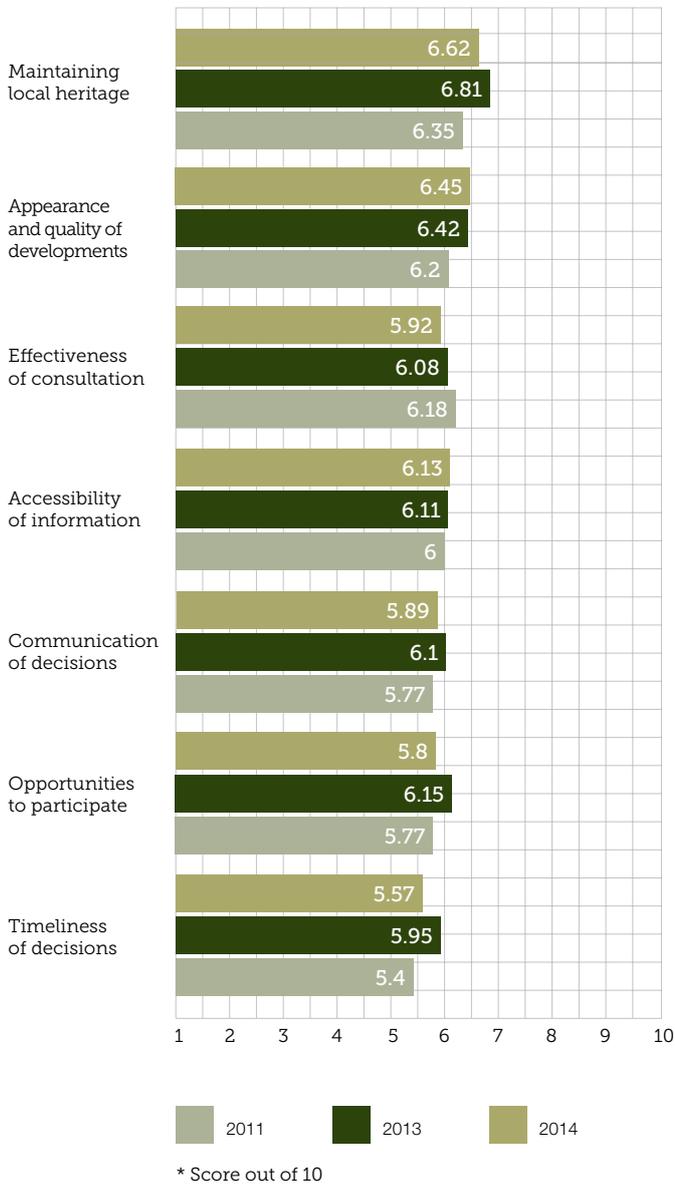
Preliminary work was undertaken on the development of a policy for the leasing and licencing of Council assets to community groups. The project continues in 2014-2015.

THE YEAR AHEAD

- Implement the project plan for the Hurstbridge intergenerational housing project
- Prepare the draft concept plan for the Diamond Creek to Hurstbridge Trail
- Complete construction of the St Andrews Community Centre
- Prepare a street tree policy

OUR BUILT ENVIRONMENT

Satisfaction with aspects of planning and housing development



OUR BUILT ENVIRONMENT

HOW WE PERFORMED AGAINST THE COUNCIL PLAN

Completed  In progress 

| COUNCIL PLAN STRATEGY | ACTION | STATUS |
|--|--|---|
| We will promote appropriate development in the right locations to increase the diversity of housing options for Nillumbik residents. | Review Council housing policies in the context of the State Government's new zones for Victoria and report to Council by June 2014. |  |
| | Exhibit the issues and options paper for the Yarrambat Township Plan by June 2014. |  |
| We will plan so that any development is sympathetic to the Shire's unique heritage and protects neighbourhood character and our tree canopy. | Participate in the review landscape and built form provisions that apply along the Yarra River being conducted by the Department of Planning and Community Development in conjunction with the municipalities of Banyule and Manningham. |  |
| | Exhibit Amendment C60 to protect the significant Hurstbridge Main Street via the introduction of Urban Design Guidelines by November 2013. |  |
| | Commence and exhibit an amendment to incorporate the St Andrews Urban Design Guidelines into the planning scheme by March 2014. |  |
| We will regulate development in areas of high fire risk according to relevant legislation. | Review the Bushfire Management Overlay as required by the Department of Planning and Community Development, and report to Council by June 2014. |  |
| We will promote water and energy efficient building practices and educate the community about environmentally sustainable options. | Deliver workshops and information sessions for sustainability in homes and businesses in accordance with the Environmental Education Strategy. |  |
| We will advocate to the State Government for improvements to public transport and main roads in the Shire to improve access and amenity for local residents. | Finalise and adopt the Nillumbik Integrated Transport Statement by October 2013 and submit it to the State Government, VicRoads and Public Transport Victoria. |  |
| We will provide a safe and accessible network of local roads, footpaths and trails. | Complete the footpaths and trails capital works upgrades by June 2014. |  |
| | Maintain 800 kilometres of roads and 300 kilometres of drains in compliance with the Road Management Plan standards. |  |
| We will responsibly manage our existing assets to maximise the life of the Shire's important community and civic infrastructure. | Review developer contribution rates for public open space and report to Council by 2014. |  |
| | Continue to participate in the MAV STEP Asset Management program and maintain results in the top 10 per cent of the state through timely audits and data capture |  |
| | Adopt a policy for the leasing and licensing of Council assets to community groups by June 2014. |  |

OUR BUILT ENVIRONMENT

HOW WE PERFORMED AGAINST THE COUNCIL PLAN

Completed  In progress 

| COUNCIL PLAN STRATEGY | ACTION | STATUS |
|---|--|--|
| We will invest in new or improved community facilities that are planned to meet identified community needs. | Complete implementation of Zones 1 and 2 of the Edendale Landscape Masterplan by June 2014. |  |
| | Finalise the design and funding strategy for the St Andrews Community Centre and report this to Council by December 2013. |  |
| | Complete the construction of the Hurstbridge Family Centre by 30 June 2014. |  |
| | Prepare a plan for the Eltham Community and Reception Centre redevelopment and present a report to Council by January 2014. |  |
| We will strive for a clean, well maintained Shire that enhances a sense of community pride and safety. | Implement actions from the Open Space Review to achieve mowing standards and frequencies through peak periods. |  |
| | Implement capital renewal programs for playgrounds, parks and sportsfields by June 2014. |  |
| | Work with Victoria Police and traders to identify and reduce the amount of graffiti within the municipality, and report on removal rates on a quarterly basis. |  |

COUNCIL PLAN STRATEGIC INDICATORS

Completed  Not Completed 

| STRATEGIC INDICATOR | 2013-2014 | RESULT |
|---|---|---|
| Increased spending on infrastructure renewal to sustainable levels in line with the STEP program. | Infrastructure renewal spending was \$5.35 million in 2013-2014 which was a significant increase on the previous year. Council's Financial Sustainability Plan forecasts that Nillumbik will continue to improve the level of renewal spending in coming years. By 2017 Council will halve the existing renewal gap, and achieve a sustainable level of renewal spending which exceeds annual depreciation. |  |
| Increased satisfaction with maintenance of local heritage as measured through the Annual Community Survey. | Community satisfaction with maintaining local heritage declined slightly from 6.81* in 2013 to 6.62* in 2014. *Out of 10. |  |
| Increased satisfaction with appearance and quality of new developments as measured through the Annual Community Survey. | Satisfaction with the appearance and quality of new developments increased marginally from 6.42* in 2013 to 6.45* in 2014. *Out of 10. |  |

BUDGET 2013-2014 KEY STRATEGIC ACTIVITIES

Completed 

| STRATEGIC ACTIVITY | PERFORMANCE MEASURE | TARGET | RESULT |
|---|--|--------------|---|
| Construction of new Hurstbridge Family Centre | Date before which practical completion is achieved for Hurstbridge Community Hub. | 30 June 2014 |  |
| Timely processing of planning applications | Number of months when per cent of planning applications determined in less than 60 days is 60 per cent or higher (as per monthly report to Council). | 12 months |  |



OUR GOAL IS TO DEVELOP
A PROSPEROUS LOCAL
ECONOMY THROUGH
PARTNERSHIPS WITH LOCAL
BUSINESS, GOVERNMENTS
AND THE COMMUNITY
CONSISTENT WITH OUR
GREEN WEDGE VALUES.

COUNCIL PLAN 2013-2017

Our economy at a glance...

\$629,000

Operating expenditure

CORE ACTIVITIES

- Local community and farmers' markets and festivals
- Tourism funding and support
- Local business networks
- Local business training and seminars
- Activity Centre planning
- Planning permits and regulation
- Township marketing schemes

INTERESTING FACTS

- Annual Small Business Day held in Diamond Creek, Eltham and Hurstbridge Village
- Online Economic Indicators developed and launched at www.economicprofile.com.au/nillumbik
- Destination Nillumbik Investment Attraction Pack developed and released
- Destination Nillumbik Mobile Guide released at www.visitnillumbik.com.au
- Pure Business Newsletter published four times a year including two digital editions

Hurstbridge Farmers Market

held monthly

20

training programs,
workshops and seminars
for local businesses held

40

exhibitors and 400 visitors attend
annual Small Business Expo

Free

bi-monthly business
mentoring sessions held

OUR ECONOMY



A DATABASE OF LOCAL PRODUCE AND AGRICULTURAL SUPPLIERS WAS DEVELOPED AND MADE AVAILABLE ON THE LOCAL FOOD CONNECT WEBSITE.

ACHIEVEMENTS

Consultation on the draft vision and principles developed for the Eltham Major Activity Centre Precincts 3 and 4 Redevelopment Project identified broad community support for the project, in particular the principles which aim to improve the precincts' appearance, safety, accessibility (for pedestrians and cyclists), connectivity with surrounding precincts and which continue and enhance the civic and community role of Precinct 4. Council adopted the revised vision and principles.

The first stage of the Brand Nillumbik project was approved following consultation with trader groups and the tourism association.

Council's Economic Development Strategy, Green Wedge Management Plan and the Nillumbik Tourism Association's Destination Nillumbik strategic plan, all identify the need for better branding and marketing of the Nillumbik area, which is universally accepted and used by local tourism operators and other businesses, including Council.

A database of local produce and agricultural suppliers was developed and made available on the Local Food Connect website.

CHALLENGES

Council considered and supported a request from the Department of Transport, Planning and Local Infrastructure to reformat Amendment C51 Eltham Structure Plan and Amendment C53 Diamond Creek Twenty20. The amendments were reformatted and resubmitted to the Minister.

Following public consultation, Council agreed to commission a re-design of the redevelopment of the Eltham Town Square to remove one of the proposed restaurants. New designs were prepared and readvertised as part of an amended planning permit process.

THE YEAR AHEAD

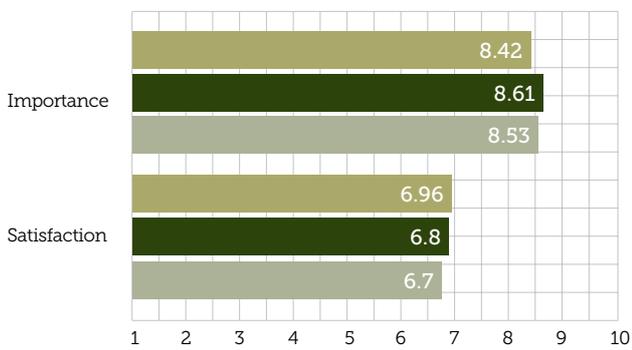
- Undertake Stage 2 of the Eltham Precincts 3 and 4 Masterplan
- Progress the redevelopment of the Eltham Town Square
- Process at least 60 per cent of planning applications within 60 days

OUR ECONOMY

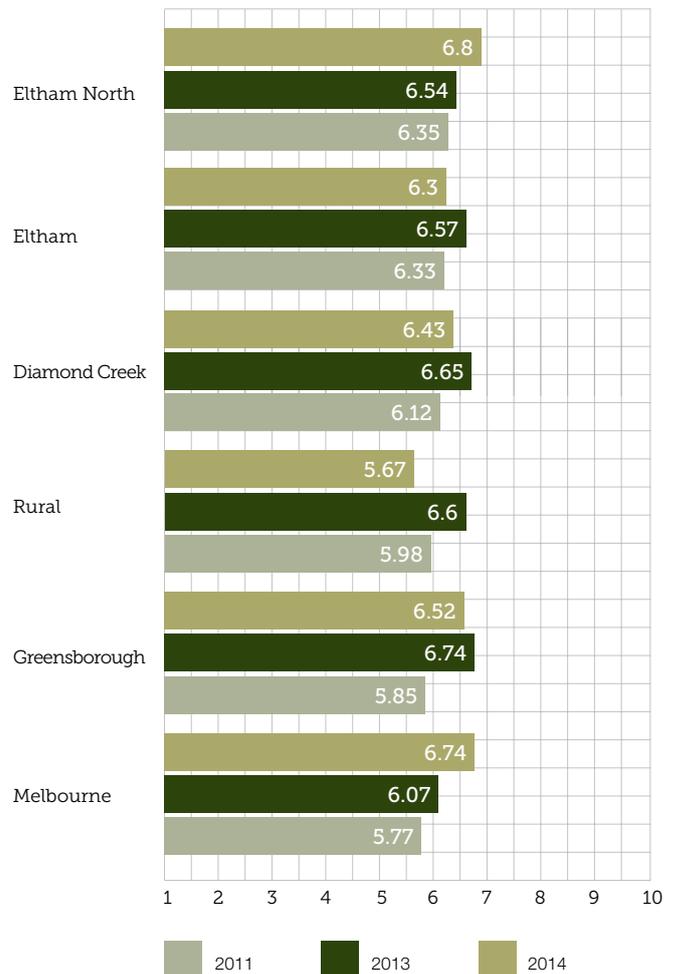


NEW DESIGNS OF THE REDEVELOPMENT OF THE ELTHAM TOWN SQUARE WERE PREPARED.

Importance and satisfaction with maintenance and cleaning of shopping strips



Satisfaction with availability of parking precinct



* Score out of 10

OUR ECONOMY

HOW WE PERFORMED AGAINST THE COUNCIL PLAN

Completed 

| COUNCIL PLAN STRATEGY | ACTION | STATUS |
|---|--|---|
| We will plan for economic development that is consistent with the Nillumbik Planning Scheme and supports Council's objectives. | Audit the supply and demand for industrial land within the Shire in accordance with Green Wedge Management Plan, and report the results to Council by February 2014. |  |
| | Finalise Stage 1 of the Eltham Precinct 3 and 4 Masterplan project and report to Council by December 2013. |  |
| We will partner with local businesses and groups to promote Nillumbik as a unique destination for nature, culture, food and wine. | Implement Stage 1 of the Brand Nillumbik project by March 2014. |  |
| | Support local tourism and trader events through funding and service agreements. |  |
| We will support productive land use and sustainable agriculture. | Finalise the database of local produce and agricultural suppliers by September 2013. |  |
| We will encourage business investment that enhances and benefits our activity centres and townships. | Progress Amendment C51 Eltham Structure Plan and Amendment C53 Diamond Creek Twenty20 to implement the Eltham and Diamond Creek Major Activity Centre Structure Plans. |  |
| | Continue to advance the redevelopment of the Eltham Town Square and report to Council by November 2013. |  |
| | Prepare an amendment to implement the findings of the Bridge Street Urban Design Framework and report to Council by December 2013. |  |
| We will foster homebased businesses in Nillumbik. | Deliver 20 business training programs, workshops and seminars. |  |
| We will maintain regional partnerships that enhance opportunities for our local businesses. | Continue participation in the Northern Region Digital Economy Strategy. |  |
| We will provide effective and efficient services for processing development applications in Nillumbik. | Process at least 60 per cent of planning applications within 60 days. |  |

OUR ECONOMY



OVER 200 RESIDENTS ATTENDED TWO COMMUNITY CONSULTATION WORKSHOPS TO DISCUSS ISSUES FACING THE YARRAMBAT TOWNSHIP.

COUNCIL PLAN STRATEGIC INDICATORS

Completed 

| STRATEGIC INDICATOR | 2013-2014 | RESULT |
|---|---|---|
| High percentage of planning permits processed within 60 day statutory period. | Over the financial year 78 per cent of planning applications were processed within the 60 day statutory period. |  |
| Implementation of Activity Centre Structure Plans. | Council considered and supported a request from the Department of Transport, Planning and Local Infrastructure to reformat Amendment C51 Eltham Structure Plan and Amendment C53 Diamond Creek Twenty20. The amendments were reformatted and resubmitted. |  |
| Preparation and adoption of Township Plans. | An issues and options paper for the Yarrambat township was placed on public exhibition and two community consultation workshops, involving more than 200 residents were held. |  |

BUDGET 2013-2014 KEY STRATEGIC ACTIVITIES

Completed 

| STRATEGIC ACTIVITY | PERFORMANCE MEASURE | TARGET | RESULT |
|---|---|--------|---|
| Implementation of Economic Development Business Plan. | Percentage of actions commenced prior to 30 June 2014 (as per business plan). | 100% |  |



OUR GOAL IS TO PROVIDE GOOD GOVERNANCE, LEADERSHIP AND RESPONSIBLE FINANCIAL MANAGEMENT AND TO MAKE DECISIONS IN AN INCLUSIVE AND TRANSPARENT MANNER

COUNCIL PLAN 2013-2017

Our Council at a glance...

**\$18.6
million**

Operating expenditure

CORE ACTIVITIES

- Council and Committee meetings, civic functions including citizenship ceremonies
- Street naming and numbering
- Consultation processes and advisory committees
- Elections
- Website and online services
- Finance and procurement
- Electronic and print communication including media liaison
- Rates and property valuations
- Human resource management and training
- Customer service and reception
- Information technology
- Legislative compliance
- Risk management

INTERESTING FACTS

- 115 media releases issued
- Visits and unique visits to website:
143,238 website users
718,527 website page views
- Four citizenship ceremonies held, including Australia Day
- 56 e-bulletins issued
- Facebook likes increased from 74 to 212
- 673 Twitter followers
- Agendas produced for 32 Council and Committee meetings
- 200 staff took part in 25 training programs

49,193

phone calls into the customer service queue

25,589

payments made at the Customer Service counter

16,671

customer requests logged

718,527

website page views

530

volunteers have donated over 52,000 hours of time to Council programs and services

22,881

rates notices issued

OUR COUNCIL



ACHIEVEMENTS

The Amenity and Infrastructure Assets Local Laws were reviewed and adopted by Council in November 2013 following a period of community consultation. The local laws provide for the protection of public assets as well as the safe and fair use of public places and roads, the regulation of street activities and the keeping and control of animals.

A Service Excellence Charter was developed and released for community comment in May, replacing an existing, out-dated document. The charter outlines Council's public commitment to its citizens and stakeholders about the level of service they can expect, and that is agreed upon by internal and external stakeholders.

A Financial Sustainability Plan was developed and adopted by Council in December 2013.

The implementation of the State Government Fire Services Levy took place via the issuing of rates notices in August 2013. The implementation involved an extensive and ongoing communications and customer service campaign.

Internal audit reports on seven council services – information privacy, purchasing, cash receipting and handling, payroll, Maternal and Child Health, landfill rehabilitation and accounts payable – were completed.

CHALLENGES

The review of the Meeting Procedure Local Law was delayed due to amendments to the *Local Government Act 1989* which are currently before Parliament.

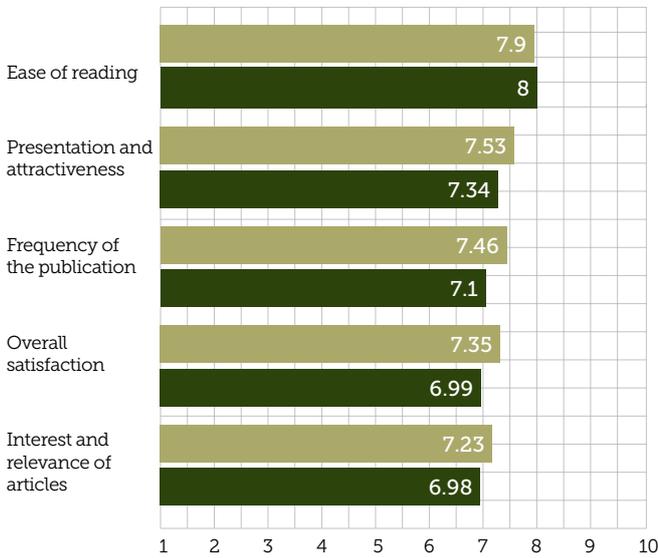
The development of an organisation-wide Communications Policy involved extensive internal consultation which delayed the project by a few months.

THE YEAR AHEAD

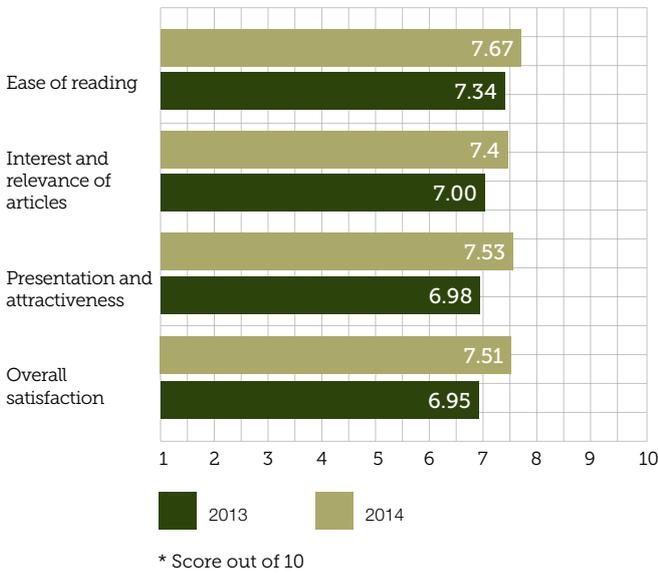
- Implement the advocacy plan in the lead up to the November 2014 State Election
- Prepare a responsible Gaming Position Paper
- Undertake an athletics feasibility study

OUR COUNCIL

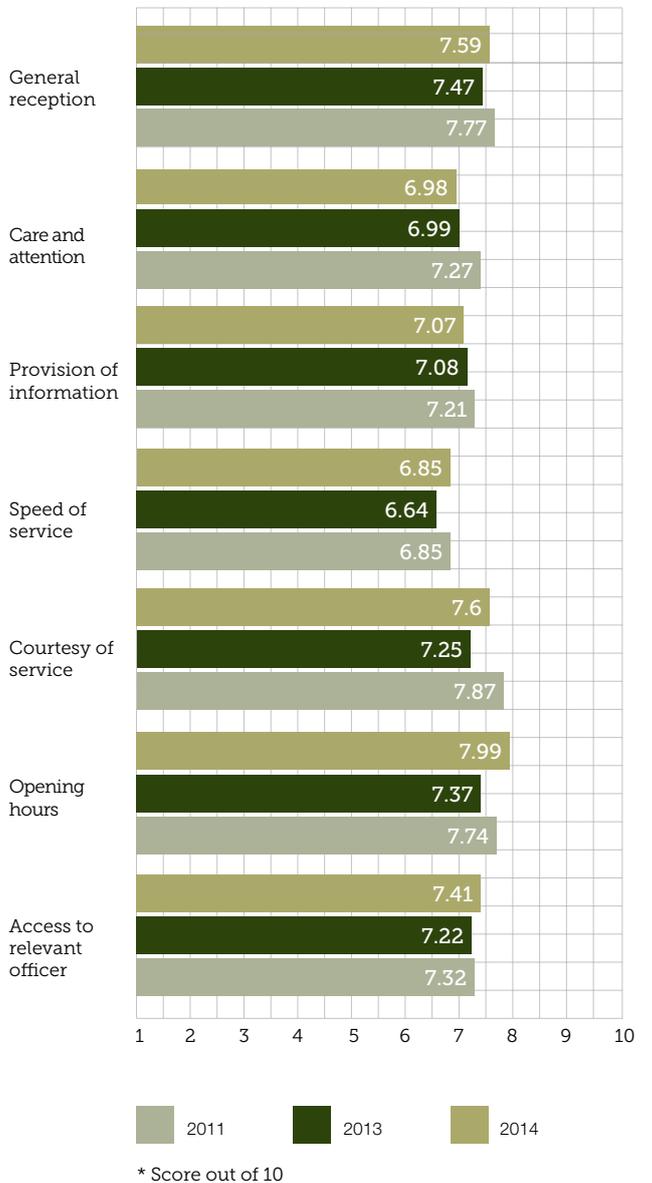
Satisfaction with aspects of Nillumbik News



Satisfaction with aspects of Council website



Satisfaction with aspects of customer service



OUR COUNCIL

PERFORMANCE AGAINST OUR STRATEGIC OBJECTIVES

Progress on Council Plan actions

Completed  In progress 

| COUNCIL PLAN STRATEGY | ACTION | STATUS |
|---|---|---|
| We will provide strong and innovative leadership on issues of strategic importance to enable us to achieve our goals for the Nillumbik community. | Review the Meeting Procedure Local Law by June 2014. |  |
| | Review and adopt the Governance Code, including the Councillor Code of Conduct, by September 2013 in accordance with the Local Government Act 1989. |  |
| We will advocate about issues affecting the Nillumbik Shire, supported by informed and clearly articulated policy positions. | Make a submission to the Victoria Grants Commission for improvements to the allocation methodology by February 2014. |  |
| We will undertake long term financial planning to ensure our budget decisions are responsible and sustainable. | Develop a financial sustainability plan for Council approval by December 2013. |  |
| We will maximise our opportunities to receive external grants for projects that are consistent with Council's priorities and management of the Green Wedge. | Pursue relevant opportunities for project grants and report outcomes to Council on a quarterly basis. |  |
| We will involve the community in our decision making through public participation and representation and we will keep them informed through frequent and effective communication. | Develop and adopt a Communications Policy by June 2014. |  |
| We will focus the organisation on the importance of customer service and provide timely and meaningful responses to community requests. | Review Council's Service Excellence Charter by June 2014. |  |
| We will ensure our services are efficient and deliver good value for money for our residents and we will invest in training and technology to enhance productivity. | Develop a program of service reviews and benchmarking for Council approval by October 2013. |  |
| We will employ a skilled and enthusiastic workforce that meets the needs of our community and our organisation. | Continue to implement the Project Management Framework and provide professional development programs for staff. |  |
| We will meet our legal responsibilities and manage our risks. | Complete the reviews of the Asset Protection Local Law and Amenity Local Law and have them adopted by December 2013. |  |
| | Implement the internal audit program and report the results to the Audit Committee each quarter. |  |
| | Implement the State Government Fire Services Levy including issuing of rates notes by August 2013 and ongoing customer service. |  |

OUR COUNCIL



COUNCIL PLAN STRATEGIC INDICATORS

Completed  In progress 

| STRATEGIC INDICATOR | 2013-2014 | RESULT |
|--|--|---|
| Maintain Victorian Auditor General's low risk 'green light' status measure for overall financial sustainability. | Council received a medium risk assessment for overall financial sustainability in the Auditor-General's report of December 2013 for the 2012-2013 year. This was due to Council's decision to pay its defined benefit superannuation liability in a lump sum in 2012-2013. This funding is being recouped from rates in 2013-2014 and 2014-2015. Council expects to achieve an overall low-risk (green light) assessment from the Auditor-General for the 2014-2015 financial year and beyond. |  |
| Achieve an annual underlying surplus in audited financial statements. | Council has achieved an underlying surplus for 2013-2014 as recorded in the audited financial statements. |  |
| Rates per resident remain below the State average. | Rates per resident in Nillumbik for 2013-2014 were \$839 which was below the state median of \$914. |  |
| Adoption of Financial Sustainability Plan and achievement of targets in the Plan. | Council adopted its Financial Sustainability Plan in December 2013. This plan sets a series of targets for Council to achieve over coming years. The forecast performance in achieving these targets is shown in the 2014-2015 Council budget, and actual performance will be reported in the 2014-2015 Annual Report next year. |  |
| Satisfaction with overall performance of Council as measured through the Annual Community Survey. | Community satisfaction with Council's overall performance is 6.16 out of 10, which is a decrease on the 2013 result of 6.44. This level of satisfaction remains categorised as 'solid'. |  |

BUDGET 2013-2014 KEY STRATEGIC ACTIVITIES

Completed  In progress 

| STRATEGIC ACTIVITY | PERFORMANCE MEASURE | TARGET | RESULT |
|---|--|--------|---|
| Improve community satisfaction with Council performance | Satisfaction with overall performance of Council as measured through the Annual Community Satisfaction Survey (score out of 10). | >6.4 |  |
| Preparation of Budget and Annual Report | Percentage of these matters completed by Council by statutory due dates in Local Government Act. | 100% |  |



COUNCIL IS COMMITTED TO FOSTERING POSITIVE ORGANISATIONAL VALUES. ENCOURAGING A SUPPORTIVE CULTURE AND ENSURING WE HAVE A SKILLED AND ENTHUSIASTIC WORKFORCE THAT MEETS THE NEEDS OF OUR COMMUNITY.

COUNCIL GOVERNANCE

CODE OF CONDUCT

In accordance with the *Local Government Act 1989* (the Act), Council's role is to provide governance and leadership for the Nillumbik community through advocacy, decision-making and action. Adherence to good governance principles assists Council in achieving this role.

Nillumbik's Governance Code has been developed to meet Council's goal of good governance for the local community. It meets Council's statutory requirements for a Code of Conduct under section 76C of the Act and also provides a framework for Councillors and officers to work in the best interests of the Nillumbik community.

It therefore contains the issues which must be addressed under the Act but also incorporates further principles of good governance which this Council has chosen to include in order to provide a framework to support good governance.

Under the Act, Council is required to review the current Councillor Code of Conduct within 12 months of a general election. The Governance Code was reviewed and adopted by Council on 10 September 2013.

COUNCILLOR ALLOWANCES AND EXPENSES

In accordance with section 74 of the Act, the Mayor and Councillors are paid an annual allowance, which includes a superannuation guarantee contribution.

A vehicle was used by the Mayor of the day for official Council business purposes and reasonable private use during their term of office.

A telephone (landline), mobile phone and car kit, laptop computer, tablet and associated stationery were provided to each Councillor, including the Mayor, for official Council business.

Council reimburses reasonable costs associated with the formal duty of representing Council for the Mayor and Councillors and their respective partners in accordance with Council's Councillor Resources and Expenses Policy 2013 and section 75 of the Act.

The Mayoral and Councillor allowances were set in April 2013 for the four year term of Council at \$69,325 and \$22,405 respectively plus superannuation subject to ministerial change under the Act. A summary of allowances payable to each Councillor for the period 1 July 2013 to 30 June 2014 is shown on the next page.

COUNCILLOR REPRESENTATION

ASSEMBLY OF COUNCILLORS

In addition to formal meetings of Council, a number of Assembly of Councillors meetings were held during the year. An Assembly of Councillors is defined by section 80A of the Act as a planned or scheduled meeting of at least a majority of Councillors and one member of council staff, which considers matters for Council or a Council appointed advisory committee at which a Councillor attends.

A written record of assemblies is reported to an Ordinary Council Meeting as soon as practicable after the Assembly of Councillors.

During 2013-2014, 110 Assemblies of Councillors were held and reported to Council.

COUNCIL GOVERNANCE

Councillor allowances July 2013 – June 2014

| Councillor | Telephone (landline) | Mobile phone | Laptop | Tablet |
|---------------------|----------------------|--------------|--------|--------|
| Cr Meralyn Klein | | • | • | • |
| Cr Anika Van Hulsen | | • | • | • |
| Cr Michael Young | • | • | | • |
| Cr Peter Perkins | | • | • | • |
| Cr Ken King | | • | • | • |
| Cr Bronnie Hattam | | • | • | • |
| Cr Helen Coleman | • | • | • | • |

| Councillor | Allowance (including superannuation) |
|---------------------|--------------------------------------|
| Cr Meralyn Klein | \$24,801.69 |
| Cr Anika Van Hulsen | \$24,801.69 |
| Cr Michael Young** | \$64,338.20 |
| Cr Peter Perkins* | \$37,203.28 |
| Cr Ken King | \$24,801.69 |
| Cr Bronnie Hattam | \$24,801.69 |
| Cr Helen Coleman | \$24,801.69 |

* Mayor 1 July-28 October

** Mayor 28 October 2013 – 30 June 2014

Councillor meeting attendance July 2013 – June 2014

| | Ordinary | Special | Planning | Policy and Services | Briefings |
|---------------------|----------|---------|----------|---------------------|-----------|
| Cr Peter Perkins | 12/12 | 1/1 | 7/7 | 10/11 | 14/22 |
| Cr Michael Young | 12/12 | 1/1 | 7/7 | 11/11 | 21/22 |
| Cr Ken King | 11/12 | 1/1 | 7/7 | 11/11 | 18/22 |
| Cr Helen Coleman | 12/12 | 1/1 | 7/7 | 11/11 | 20/22 |
| Cr Anika Van Hulsen | 12/12 | 1/1 | 7/7 | 11/11 | 22/22 |
| Cr Meralyn Klein | 9/12 | 1/1 | 6/7 | 9/11 | 15/22 |
| Cr Bronnie Hattam | 11/12 | 1/1 | 7/7 | 11/11 | 18/22 |

COMMITTEES AND ADVISORY GROUPS

Special Committees of Council

Special committees and groups have been established by Council to provide input and advice on various issues on an ongoing basis.

Council membership during 2013-2014 was as follows.

Planning Committee

July 2013 – October 2013

Cr Michael Young (Chairperson)
Cr Meralyn Klein
Cr Anika Van Hulsen
Cr Peter Perkins
Cr Ken King
Cr Bronnie Hattam
Cr Helen Coleman

November 2013 – June 2014

Cr Bronnie Hattam (Chairperson)
Cr Meralyn Klein
Cr Anika Van Hulsen
Cr Michael Young
Cr Peter Perkins
Cr Ken King
Cr Helen Coleman

Policy and Services Committee

July 2013 – June 2014

Cr Helen Coleman (Chairperson)
Cr Meralyn Klein
Cr Anika Van Hulsen
Cr Michael Young
Cr Peter Perkins
Cr Ken King
Cr Bronnie Hattam

COUNCIL GOVERNANCE

ADVISORY COMMITTEES OF COUNCIL

| ADVISORY COMMITTEES OF COUNCIL | COUNCILLOR |
|---|---|
| Agriculture Advisory Committee | Cr Ken King Cr Anika Van Hulsen |
| Arts Advisory Committee (Acquisitions and Strategy) | Cr Helen Coleman |
| Audit Committee | Cr Ken King Cr Meralyn Klein |
| Chief Executive Officer Performance Review | Cr Peter Perkins Cr Ken King Cr Michael Young Cr Meralyn Klein |
| Inclusion Advisory Committee | Cr Bronnie Hattam |
| Economic Development Advisory Committee | Cr Anika Van Hulsen Cr Michael Young Cr Ken King |
| Edendale Advisory Committee | Cr Michael Young Cr Bronnie Hattam |
| Eltham Leisure Centre Aquatic Facilities Redevelopment Advisory Group | Cr Helen Coleman |
| Eltham Major Activity Centre Development Forum | Cr Helen Coleman Cr Michael Young Cr Bronnie Hattam |
| Environment Advisory Committee | Cr Michael Young Cr Anika Van Hulsen |
| Green Wedge Advisory Committee | Cr Anika Van Hulsen Cr Bronnie Hattam Cr Ken King |
| Hurstbridge Family Centre Project Advisory Committee | Cr Anika Van Hulsen |
| Memorials Advisory Committee | Cr Meralyn Klein Cr Ken King |
| Living & Learning Nillumbik Advisory Committee | Cr Meralyn Klein |
| Municipal Emergency Management Planning Advisory Committee | Cr Peter Perkins |
| Panton Hill Bushland Reserves System Advisory Committee | Cr Anika Van Hulsen Cr Ken King (alternate) |
| Recreational Trails Advisory Committee | Cr Anika Van Hulsen Cr Ken King |

EXTERNAL ORGANISATIONS

| EXTERNAL ORGANISATIONS | COUNCILLORS |
|--|--|
| Diamond Creek Business Development Association | Cr Peter Perkins |
| Eastern Region Councils | Mayor |
| Eltham Chamber of Commerce and Industry | Cr Michael Young Cr Ken King (alternate) |
| Hurstbridge Traders Association | Cr Anika Van Hulsen |
| Interface Councils | Mayor |
| Municipal Association of Victoria | Cr Helen Coleman Cr Peter Perkins (alternate) |
| Metropolitan Transport Forum | Cr Peter Perkins (July-December 2013) Cr Ken King (January-June 2014) |
| Metropolitan Waste Management Group | Cr Peter Perkins |
| Nillumbik Tourism Association | Cr Michael Young Cr Bronnie Hattam |
| Northern Alliance for Greenhouse Action | Cr Bronnie Hattam |
| Northern Region Councils | Mayor |
| Yarra Plenty Regional Library Board | Cr Helen Coleman Cr Ken King |
| Victorian Local Governance Association | Cr Meralyn Klein |



COUNCIL IS COMMITTED TO FOSTERING POSITIVE ORGANISATIONAL VALUES. ENCOURAGING A SUPPORTIVE CULTURE AND ENSURING WE HAVE A SKILLED AND ENTHUSIASTIC WORKFORCE THAT MEETS THE NEEDS OF OUR COMMUNITY.

OUR PEOPLE

NILLUMBIK VALUES AND BEHAVIOURS

All Nillumbik Shire Council employees are held accountable to a set of agreed values and behaviours. All staff have a responsibility to themselves and their team members to behave appropriately and in accordance with these values and behaviours.

They are:

- Do our best
- Support and cooperate
- Take responsibility
- Respect each other
- Foster energy and camaraderie

ORGANISATION CAPABILITY AND CULTURE STRATEGY

The Organisation Capability and Culture Strategy (OCCS) complements the Council Plan 2013-2017 and provides a high level representation of the drivers for change and priority outcomes for maintaining services which are in line with current and future community needs.

The strategy has an identified aim 'To ensure we are a high performing organisation, connected and responsive to current and future community needs resulting in the delivery of quality and effective services'.

That is, an organisation which:

- Is in touch with our community
- Is respectful in its relationships with citizens
- Is respectful and supportive of our Council
- Is constantly learning and finding ways to improve
- Honours its commitments
- Empowers its workforce
- Is built on self-managed teams
- Is forward looking and takes a long term view

It details two-year action plans intended to build capacity and to effectively deliver on these outcomes. These actions were reviewed during the year to assess priority and importance and ensure the organisation is continuing to build capability.

LEARNING AND DEVELOPMENT

During the year, a training needs analysis was conducted to assess the priorities for staff training. This information, together with information from employee development plans and discussions with management, informed the development of the training plan for the upcoming year.

A range of online, face-to-face learning and development programs were offered to staff, with most programs recording excellent attendance and feedback. The feedback was evaluated to determine how future classes can be improved.

These programs offer staff the opportunity to build on skills in a number of critical areas including professional development, IT, project management and leadership development, as well as compliance programs such as Equal Opportunity and Occupational Health and Safety. More than 200 staff were trained over 25 classes in a variety of classroom courses. About 80 staff received refresher training on their responsibilities under the Information Privacy Act.

In the 2013-2014 year, the leadership development program began with a training needs analysis and the development of a core skills program to support the objective of building a high performance culture. The focus areas included building leadership competency and improving our skills around performance management, leadership styles and emotional intelligence.

OUR PEOPLE

PROJECT MANAGEMENT FRAMEWORK

The Project Management Excellence program is now in its second year and has seen a significant uptake and improvement in competency levels for projects across the organisation.

The results of this have been seen in better planning in achievement of budgets, achievement of key milestones and satisfied stakeholder and community groups. The Project Management Framework program was also a nominee in the LG Pro Excellence Awards Program which recognises best practices in local government. Nillumbik's program has attracted a lot of interest from other councils.

The Project Management Framework is continually enhanced and includes:

- Training programs at advanced, intermediate and basic levels
This year also saw our first formal Diploma of Management training where 15 staff successfully completed their Diploma in December 2013. Another 12 staff are currently undertaking the second round of diploma training
- A project management portal
- A toolkit that provides projects with templates and examples
- A support network of Project Management champions.

Another key initiative in this project was to help our staff and councillors understand Council's project management processes through a series of briefings.

CULTURAL VITALITY

In 2012 Nillumbik introduced a cultural vitality survey to measure organisational wellbeing and improve organisational productivity. Research suggests that better levels of wellbeing deliver higher levels of discretionary effort, higher rates of productivity, better OHS outcomes, lower staff turnover and higher retention.

As a result of the initial survey, Council introduced a facilitative leadership action planning process to empower local work groups to identify issues within the workplace and enable problem solving at the local level. A series of programs and initiatives were further developed as part of the OCCS to improve organisational performance.

In early 2014 Council conducted a full survey to measure the effectiveness of the programs that were implemented. The results showed a marked improvement in all categories. The increase in the survey results demonstrates improvements in organisational wellbeing, increased productivity and are an indication of effective organisational leadership.

WORKING TOGETHER – ENTERPRISE AGREEMENT

Some 96 per cent of Nillumbik Shire Council staff are covered by Enterprise Agreement No 6. During the year an enterprise bargaining working group comprising management, staff representatives and union delegates was established to negotiate a new Enterprise Agreement as the current agreement expired on 30 June 2014. The group met regularly and a new agreement will be made early into the new financial year.

EMPLOYEE CODE OF CONDUCT

Council's Employee Code of Conduct was developed in accordance with requirements from the *Local Government Act 1989* (the Act) to foster an environment of good governance and provide professional and personal guidelines for all employees, Council representatives, volunteers and contractors.

The Employee Code of Conduct meets Council's statutory requirement for a Code of Conduct under the Act, and also provides a framework for employees to work in the best interests of the Nillumbik community.

The Code of Conduct is an important document that must be adhered to by all employees (full-time, part-time, temporary and casual), Council representatives, volunteers and contractors undertaking work for Council. Compliance with the Code of Conduct is mandatory.

2014 LGMA MANAGEMENT CHALLENGE

The Local Government Management Challenge is a program designed to develop new and improved skills in effective team processes, issue resolution and situational leadership.

It is a hands-on approach to leadership development that translates into relevant, tangible and enduring benefits for our employees, teams and the organisation.

During 2014, the following employees participated in the LGMA Challenge and represented Council:

- Dimitra Barnes, Organisational Development and Risk
- Toni Davies, Communications
- Kirsty Merritt, Environmental Planning
- Nathan Miller, Infrastructure Maintenance
- Suzanne Rouvray, Emergency Management

OUR PEOPLE

RECOGNISING OUR PEOPLE

Council acknowledged the continuous service of 33 staff during the 2013-2014 financial year.

Staff from within Community and Leisure, Corporate Services, Environment and Planning and Infrastructure Services Departments achieved 10, 15, 20 and 25 year service milestones.

Community and Leisure

| | |
|-----------------|----------|
| Jenny Baker | 10 Years |
| Margaret Burger | 10 Years |
| Carmen Marciano | 10 Years |
| Giulia Visona | 10 Years |

Corporate Services

| | |
|---------------------|----------|
| Elaine Kolokythas | 10 Years |
| Kristy Van Oosterom | 10 Years |
| Dale Alford | 15 Years |
| Michael Bathie | 15 Years |
| Vanessa Faulkner | 15 Years |
| Mary Pinataro | 20 Years |

Environment and Planning

| | |
|----------------|----------|
| Yvonne Dias | 10 Years |
| Paul Fyffe | 10 Years |
| Russell Pretty | 10 Years |
| Donna Stoddart | 10 Years |
| Colin Phillips | 15 Years |
| Vincent Molony | 20 Years |
| Lesley Bell | 25 Years |

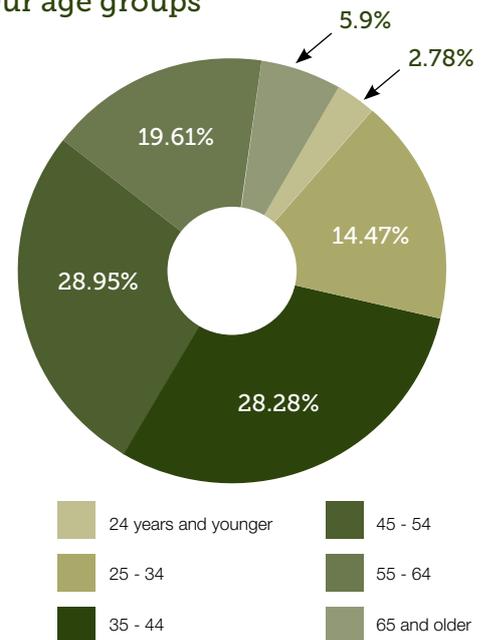
Infrastructure Services

| | |
|-------------------|----------|
| Craig Anderson | 10 Years |
| Natalie Campion | 10 Years |
| Darryl Cullen | 10 Years |
| Wayne Davis | 10 Years |
| Craig Galea | 10 Years |
| Cameron Gallagher | 10 Years |
| William Jellie | 10 Years |
| Timothy Krasevac | 10 Years |
| Tom Mafilovski | 10 Years |
| Nathan Miller | 10 Years |
| Charles Phelan | 10 Years |
| Shane Scatchard | 10 Years |
| Mark Vassallo | 10 Years |
| Suzanne Rouvray | 15 Years |
| Phillip Daw | 20 Years |
| Margaret Johnston | 25 Years |

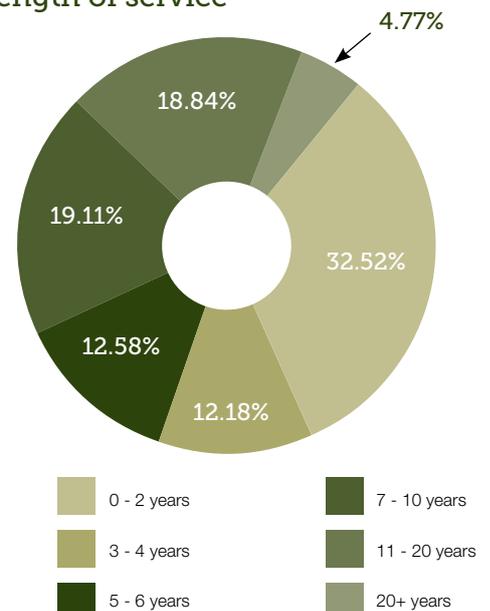
Our workforce 2013-2014

| | |
|----------------------------------|-------|
| Total staff | 500 |
| Total (full time equivalent) FTE | 337 |
| Turnover for 2013-2014 year | 6.69% |
| Flexible working arrangements | 68 |

Our age groups



Length of service



OUR PEOPLE

EMPLOYMENT TYPE BY GENDER AND DEPARTMENT

| FTE | TOTAL | PERMANENT FULL TIME | | PERMANENT PART TIME | | CASUAL | | TEMPORARY | |
|--------------------------|-------|---------------------|--------|---------------------|--------|--------|--------|-----------|--------|
| | | MALE | FEMALE | MALE | FEMALE | MALE | FEMALE | MALE | FEMALE |
| Total Council | 337 | 148 | 54 | 8 | 71 | 3 | 5 | 11 | 37 |
| Corporate Services | 55 | 17 | 18 | 1 | 13 | 1 | 1 | 0 | 4 |
| Environment and Planning | 72 | 22 | 15 | 5 | 17 | 1 | 1 | 2 | 9 |
| Community and Leisure | 78 | 5 | 14 | 1 | 38 | 1 | 2 | 2 | 15 |
| Infrastructure Services | 129 | 103 | 5 | 1 | 3 | 0 | 1 | 7 | 9 |
| Executive Services | 3 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |

ROTARY PRIDE OF WORKMANSHIP AWARD

Since 2009, Council has worked with the Rotary Club of Diamond Creek to promote a 'Pride of Workmanship' Award, targeted at staff below the Coordinator level. The objective of the Award is to recognise those staff who consistently perform beyond the call of duty and expectation. Through the selection process, we are able to recognise these staff at Nillumbik and provide the opportunity to reward them for their efforts.

Council's deserving winner in 2014 was Brad Tadday from the Environmental Works team based at the Civic Centre.

ACHIEVEMENT PERSONAL AND BUSINESS DEVELOPMENT PROGRAM

For the past five years, Council has provided an opportunity for three employees who have demonstrated future leadership potential to attend an annual workshop held in October.

Sponsored and developed by the Rotary Club of Doncaster, the program is designed to identify and develop skills such as leadership models, leadership and change, working effectively in teams, managing organisational complexity,

conflict resolution and HR management. The staff members who took part during the year were Jamie-Louise Neilson (Planning Administration Officer), Seamus Spillane (Corporate Applications Administrator) and Jake Hart (Engineer).

EMPLOYEE SUPPORT

Council continued its focus on health and wellbeing offering a range of programs targeted to individuals and groups.

Employees and their immediate families are supported through Council's Employee Assistance Program which offers a comprehensive counselling service.

Council is strongly committed to maintaining the health and wellbeing of its workforce.

WORKCOVER

Council has a commitment to managing the health and safety of its employees, and continues to ensure that the management of claims and return to work programs meet all legislative requirements.

The organisation achieved a minor reduction in the number of WorkCover claims recorded for 2013-2014 (seven per cent).

SAFETY, HEALTH AND WELLBEING

Nillumbik is committed to fulfilling its moral and legal responsibilities under the relevant State and Commonwealth occupational health and safety laws to provide a safe and healthy work environment for employees, contractors, customers, visitors and members of the Nillumbik community.

SafetyMAP (initial level) is audited externally on a nine-monthly basis. This year, two separate SafetyMAP audits, with one of those being a four day recertification audit were conducted. Both audits had excellent results with our SafetyMAP certification being successfully renewed for another three years. The findings confirmed that Council's Safety Management System (OHSMS) demonstrates the principle of continual improvement.

These results demonstrate continuous improvement by management on Council's safety performance and commitment to retain SafetyMAP as an important strategic indicator of risk management performance.

Council's OHS Committee continues to meet regularly and comprises willing and active Health and Safety Representatives who get involved in any OHS issues that may arise within their workplace.

OUR PEOPLE

Council received a \$10,000 WorkSafe Victoria WorkHealth grant to assist in the implementation of an employee health and wellbeing program across the organisation.

This funding was used to provide a series of mental and physical health activities and presentations at various Council workplaces. This included group fitness training provided by YMCA Eltham, healthy eating and cooking and mental health sessions provided by a professional occupational health services provider.

VOLUNTEERS

Over the past 12 months 530 volunteers have donated more than 52,000 hours of time to Council programs and services.

Council recognises and values the dedication and commitment of its volunteers who work within Council programs and throughout the wider community. The support that volunteers provide to residents in need across sectors such as health, environment and arts plays a vital role in the health and wellbeing of our community.

The community benefits from the work performed by volunteers, but the volunteers themselves benefit by increasing their skills and confidence, hence the flow on effect of healthier minds and bodies.

Council continues to promote and grow its volunteer workforce with volunteers involved in the following programs:

- Advisory groups, reference groups and panels
- L2P, learner driver mentor program
- Delivered meals
- Community transport
- The Saturday Bus
- The Walking School Bus
- Environmental friends of groups
- Living & Learning Nillumbik
- Edendale

- In home family mentoring
- Home Harvest Festival
- Pram walking group

Council's Home Family Mentoring Program has had a 50 per cent increase in its volunteer workforce in the past year and this success has given a significant number of eligible Nillumbik families access to one-on-one parenting support.

Lynn a volunteer for the program said:

'One of the highlights of my involvement in the mentor program is the smiles I get from the children and the appreciation from the mothers (and the Resource Officer- Family Support and Participation) whenever I have contact with them. Just knowing the little I do, can help in many ways'



At a glance VOLUNTEERING IN NILLUMBIK

Delivered 13,595 meals

Planted 7,500 trees

Enabled 18 young people gain their driver's license (including two sets of triplets and three sets of twins)

Provided 20 families with one-on-one parenting support

Recorded over 15,000 kilometres of driving time

Fed and cared for 63 animals

Propagated over 100,000 plants

Service Excellence Program

Council has a formal Service Excellence Recognition Program to recognise the actions, behaviours, approaches and accomplishments that foster and reinforce the goals and aspirations of Council as outlined in the OCCS.

The following employees were awarded a Service Excellence Recognition Award from CEO, Stuart Burdack, during 2013-2014:

JULY 2013

Winners

Brad Tadday

Kathy Shackleton

Karyn Kamminga

Mark Vassallo

Honourable mentions

Anna Maio

Corinne Mays

David Twyerould

Vivianna Gerbiz

OCTOBER 2013

Winners

Mark Lewis

Rachel Deans

Stacey Warmuth

Vanessa Faulkner

Honourable mentions

John Roeg

Ken Symon

MARCH 2014

Winners

Carolyn Padfield

Dionne Ramsdale

Eloise Gabriele

Jane Lawson

Honourable mentions

James White

Roslyn Draper



ORDINARY COUNCIL
MEETINGS ARE HELD ON
THE FOURTH TUESDAY
EVENING OF EACH MONTH.

CORPORATE GOVERNANCE

COUNCIL'S ROLE

Under the Act:

1. A council is elected to provide leadership for the good governance of the municipal district and the local community.
2. The role of a council includes:
 - a. Acting as a representative government by taking into account the diverse needs of the local community in decision making.
 - b. Providing leadership by establishing strategic objectives and monitoring their achievement.
 - c. Maintaining the viability of the council by ensuring that resources are managed in a responsible and accountable manner.
 - d. Advocating the interests of the local community to other communities and governments.
 - e. Acting as a responsible partner in government by taking into account the needs of other communities.
 - f. Fostering community cohesion and encouraging active participation in civic life.

Nillumbik Shire Council performs this role by setting the strategic direction of the municipality, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation on behalf of the community.

DECISION-MAKING

Council decisions are made in one of two ways.

1. By resolution at Council meetings and Special Committees of Council.
2. By Council officers under delegated authority.

Council is empowered under a number of pieces of legislation to undertake a range of duties and functions.

To enable Council to actually undertake these duties and functions it is necessary for Council to delegate many of its relevant powers to the CEO.

This power to delegate is conferred upon Council by section 98(1) of the Act which enables Council, by instrument of delegation, to delegate to a member of Council staff any power, duty or function of Council under the Act or any other Act, other than certain specified powers.

COUNCIL MEETINGS

Nillumbik Shire Council conducts its business in open and advertised meetings.

Council and Committee meetings are generally held in the Council Chamber at the Civic Centre, Civic Drive, Greensborough.

Policy and Services Committee meetings

Council's Policy and Services Committee is a fully delegated Special Committee and meets to consider and determine a wide range of issues. It meets on the second Tuesday evening of the month. Members of the public are invited to speak to an item on a Policy and Services Committee meeting agenda.

In 2013-2014 there were 63 verbal presentations to the Committee.

Planning Committee meetings

The Planning Committee is a fully delegated Special Committee, which meets to determine planning related matters. It meets on the second Tuesday evening of each month. Members of the public are invited to speak to an item on the Planning Committee agenda.

In 2013-2014 there were 80 verbal presentations to the Committee.

Ordinary Council meetings

Ordinary Council meetings are held on the fourth Tuesday evening of each month. Members of the public are invited to ask questions at an Ordinary Council meeting by submitting them in writing up until 10 minutes before the advertised start time of the meeting.

In 2013-2014, there were 49 public questions asked at Council meetings.

CORPORATE GOVERNANCE

Special Council meetings

Special Council meetings are convened for a specific purpose and only matters listed on the agenda for the meeting may be dealt with.

There was one Special Council meeting held in 2013-2014.

Agendas and minutes

The business to be considered by Council and its Committees is set out in the agenda which is available on Council's website and at the Eltham and Diamond Valley branch libraries on the Friday prior to the meeting. Agenda papers are also available at each meeting for interested members of the public.

Council records the resolutions carried at each Council and Committee meeting.

Minutes are available on Council's website and are confirmed at the following Ordinary Council Meeting or Committee meeting.

Minutes are available on the website for the current year and for the preceding 12 months, as required by the Act.

During the financial year, the number of business items considered at Council and Committee meetings were:

| MEETING TYPE | ITEMS |
|-------------------------------|-------|
| Ordinary Council Meeting | 186 |
| Special Council Meeting | 8 |
| Policy and Services Committee | 53 |
| Planning Committee | 13 |

AUDIT COMMITTEE

The Audit Committee's primary function is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating good and ethical governance.

The Committee consists of three independent members and two Councillors:

- Linda MacRae (Chair)
- Roger Male
- Sue Pelka
- Cr Ken King
- Cr Meralyn Klein.

Over the past six years the Audit Committee has played an important role in monitoring and promoting high standards of corporate governance of Council.

The Committee met on four occasions during 2013-2014 and considered seven internal audit reports:

- Local laws
- Waste management
- Cash receipting and handling
- Payroll review
- Maternal and child health
- Landfill rehabilitation
- Privacy management.

COUNCIL MEMBERSHIPS

Council is a member of a number of groups and organisations, including the following key memberships:

| ORGANISATION | MEMBERSHIP FEE |
|---|----------------|
| Metropolitan Transport Forum | \$1,500 |
| Victorian Local Governance Association | \$16,300 |
| Australian Local Government Women's Association | \$330 |
| Municipal Association of Victoria | \$35,509.82 |
| Local Government Managers Australia | \$1,913.64 |

CONTINUOUS SERVICE IMPROVEMENT

Council continues to apply Best Value principles to its services in accordance with the *Local Government Act 1989*.

The program of service reviews adopted by Council continued during 2013-2014 to address both cost effectiveness and service quality.

During the year, service review actions were completed for:

- roads and drainage
- Edendale
- energy efficiency
- Municipal Laws
- roadside vegetation and weed control
- free green waste disposal days
- rural green waste collection
- building regulation
- integrated water management
- erosion management
- volunteer development and support services.

MUNICIPAL EMERGENCY MANAGEMENT PLAN

It is a requirement of the *Emergency Management Act 1986*, that each municipal council must prepare and maintain a Municipal Emergency Management Plan (MEMP).

Each MEMP is audited by the Victoria State Emergency Service every three years.

Achieving a certificate of audit for complying with the guidelines for a Municipal Emergency Management Plan, is listed as a strategic indicator in the Council Plan 2013-2017.

The Nillumbik MEMP was audited in April. The Audit Panel assessed the Plan as more than adequately complying with the guidelines (best practice) for all 24 audit areas.

CORPORATE GOVERNANCE



Implementing the MEMP requires the ongoing training of council staff to undertake emergency management roles when emergencies occur. This has included participation in exercises with emergency services, relief and recovery agencies and other councils.

During the 2013-2014 fire season Council activated its emergency management arrangements in response to the Koos Road (Kangaroo Ground) and Flannery Court (Warrandyte) fires. For both of these fires Council established an Emergency Relief Centre to assist affected residents and a Municipal Emergency Coordination Centre.

At the request of Latrobe City, Council also supplied staff to assist in supporting Morwell residents affected by the Hazelwood mine fire.

Outcomes of the 'Resilient Nillumbik' project are enabling greater community engagement and participation in emergency planning. Examples include partnering with communities through the 'Be Ready Warrandyte' program and the St Andrews Fire Safety Awareness project. Also, the establishment of the Networked Nillumbik Residents group has provided a conduit for the exchange of information and ideas between the community and the Municipal Emergency Management Planning Committee.

RISK MANAGEMENT

Council recognises and is committed to its overall responsibility to effectively manage risks and ensures that best practice risk management standards are maintained. Council's Risk Management Strategy provides guidance to Council's approach to risk management and the methodology used to achieve the risk policy objectives and outcomes.

Compliance, monitoring and assessment

Council manages risk in accordance with the process described in Australian/New Zealand Standard (AS/NZS) 31000:2009 Risk Management.

It continues to maintain SafetyMAP accreditation to a high standard for the management of risks to its employees, contractors and volunteers. Audit results indicate a high level of compliance in managing our risks from our insurers, internal auditors and independent consultants.

Business Continuity

Council draws on elements of the Australian Standard AS/NZS 5050:2010 and internationally accepted British Business Continuity Standard (BS 25999) to deliver key services during an event which has the capacity to create an interruption to business delivery. The underlying principles are that sound information should underpin decision making and that good decision-making is fundamental to effective crisis management (and action plans).

INSURANCE AUDITS

During the financial year, no audits were conducted by Council's insurance underwriters, however, Council's current performance for the public and professional liability remains strong with an overscore of 90 per cent, property audit 93 per cent and the fidelity audit 91 per cent.

CORPORATE GOVERNANCE



PROCUREMENT AT NILLUMBIK

In November 2008 changes were made to the *Local Government Act 1989* (the Act) requiring Council to prepare and approve a procurement policy and at least once in each financial year review and amend the policy. The Act defines procurement policy to mean the principles, processes and procedures that will apply to the purchases of goods, services and works by the Council.

Council reviewed and adopted its Procurement Policy and guidelines in June 2014 in accordance with section 186(a)(7) of the Act .

The Procurement Policy applies to all procurement and contracting activities of Council and is binding upon Council officers, outsourced contractors and consultants while engaged by and/or representing Council.

The revised Policy includes detailed procedural matters and key procurement principles, such as value for money, demonstrating open and transparent processes, compliance with legislation and encouragement of local business in the one document.

In 2013-2014 Council used 2,273 suppliers in its provision of more than 100 services to the community. Seventy-four new contracts valued at \$5 million were awarded during the financial year in five main areas:

- works
- services
- information Technology
- goods
- consultancy.

The Procurement Policy and Guidelines (including reference to other related policies, documentation and forms) are available for the public to inspect on Council's website and at the Civic Centre in Greensborough.

LOCAL LAWS

Council has three Local Laws in place.

Amenity Local Law

The purposes of this Local Law are to provide for the:

- safe and fair use and enjoyment of public places
- safe and fair use of roads
- regulation of street activities
- keeping and control of animals
- fair and reasonable use and enjoyment of private land

- uniform and fair administration of this Local Law
- peace, order and good government of the municipality.

Infrastructure Assets Local Law

The purposes of this Local Law are to:

- provide for the peace, order and good government of the municipal district
- protect public assets vested in Council from damage, accelerated deterioration or abuse during the building works process
- provide a physical environment which aims to minimise hazards to the health and safety of persons attending building sites and those adjacent, opposite or passing building sites
- prohibiting, regulating and controlling the presence and disposal of refuse, rubbish and soil on and from building sites within the municipal district to reduce hazards to the environment and promote an environment where residents can enjoy a quality of life that meets the general expectation of the community
- defining the standards to which persons engaged in building works should adhere

CORPORATE GOVERNANCE

- educating and inducing persons involved in building works to act responsibly to reduce the extent and cost of infrastructure damage for the benefit of the wider community.

The Amenity Local Law and the Infrastructure Assets Local Law were both reviewed and adopted by Council during 2013-2014 and commenced operation on 6 December 2013.

Meeting Procedure Local Law

The purpose of this Local Law is to:

- regulate proceedings at Council Meetings, Special Committee Meetings and other meetings conducted by or on behalf of Council where Council has resolved that the provisions of this Local Law are to apply
- regulate proceedings for the election of the Mayor, Deputy Mayor and chairpersons of various committees
- facilitate community engagement by providing mechanisms as appropriate within the meeting arrangements for community members to express their views
- regulate the use of the common seal, and prohibit unauthorised use of the common seal or any device resembling the common seal.

The Meeting Procedure Local Law is scheduled for review during 2014-2015.

LEGISLATIVE COMPLIANCE

Victorian Charter of Human Rights and Responsibilities

The *Victorian Charter of Human Rights and Responsibilities Act 2006* protects the human rights of all people in Victoria. All public authorities and their employees are obliged to act compatibly with the Charter.

The Charter seeks to increase transparency in decision making affecting people's rights, and assure the public that their rights are being taken into account. It sets out 20 rights which assist all people to live with freedom, respect, equality and dignity.

Council developed and adopted Human Rights and Responsibilities Guidelines, which explain the human rights principles and how they apply to Councillors, Council officers and contractors.

Officers must take the Charter into account when developing and implementing policies, local laws, procedures, decisions and services. Council's Guidelines include a Human Rights Impact Assessment tool to assist officers.

No Human Rights complaints were received by Council during 2013-2014.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* was developed to formally recognise, promote and value the role of carers.

It includes a set of principles about the significance of care relationships, and specifies obligations for state government agencies, local councils, and other organisations that interact with people in care relationships.

In recognising its obligations under the Act, Council has:

- promoted the principles of the Act to people in care relationships who receive Council services and to the wider community
- ensured staff, Council agents and volunteers working for Council are informed of the principles and obligations of the Act
- taken the Act into consideration when reviewing and modifying relevant policies, procedures and supports.

Information available to the general public

Under the *Local Government Act 1989* and the *Local Government Regulations 2004*, Council is required to have the following information available for public inspection:

- allowances fixed for Councillors
- details of senior officers salary packages
- details of overseas and interstate travel undertaken in an official capacity by Councillors and officers
- names of Councillors and officer who were required to submit a return of interests during the financial year and the dates they were submitted
- agendas and minutes for ordinary and special meetings
- a list of special committees established (and abolished) by Council
- minutes of special committee meetings
- a record of submissions received under section 223 of the Act
- a register of officers authorised under section 224 of the Act
- a list of donations and grants made by Council during the financial year
- a register of delegations to Special committees, the CEO and officers
- a record of property, finance and operating leases.

Members of the public may arrange to inspect the information during normal office hours.

CORPORATE GOVERNANCE

Freedom of Information

The *Freedom of Information Act 1982* provides the community with a general right of access to information held by Council. It also provides for a right of appeal if an applicant is refused access to documents or is not satisfied with the action or decision taken by Council in relation to their request.

Requests for access to information under the Act should be made in writing, specifying the particular document(s) being sought, to the Freedom of Information Officer and accompanied by the appropriate fee. More information is available on Council's website.

| FREEDOM OF INFORMATION | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 |
|---|-----------|-----------|-----------|-----------|
| Total number of requests | 8 | 10 | 11 | 12 |
| Access granted in full | 4 | 5 | 4 | 8 |
| Access granted in part | 2 | 0 | 0 | 3 |
| No documents available | 2 | 0 | 1 | - |
| Access denied in full | 0 | 1 | 1 | 0 |
| Requests withdrawn or not proceeded with | 0 | 0 | 1 | 0 |
| Requests in progress at end of financial year | 0 | 4 | 4 | 1 |
| Total application fees collected | \$204 | \$315 | \$367 | \$414 |
| Total other charges collected | \$1,365 | \$115 | \$123 | \$151 |

Information Privacy and Health Records

Council believes the responsible handling of personal information is a key aspect of democratic governance and is strongly committed to protecting an individual's right to privacy. Accordingly, Council is committed to full compliance with its obligations under the *Information Privacy Act 2000* and the *Health Records Act 2001*. Council has implemented policies and procedures to ensure responsible collection, handling and disposal of all personal and health information. Copies of Council's Privacy Policy are available from the Civic Centre and Council's website www.nillumbik.vic.gov.au.

Access to personal information held by Council may be made by applying in writing with proof of identity to Council's Privacy Officer. Any person who feels aggrieved by Council's handling of their personal information may make a complaint to Council's Privacy Officer on 9433 3269. The complaint will be investigated within five business days and a written response provided.

Alternatively, complaints may be made to the Privacy Commissioner or Health Commissioner (although the Commissioners may decline to hear the complaint if it is not first made to Council).

Equal Opportunity

Nillumbik is an equal opportunity employer and is committed to the principles of the *Victorian Equal Opportunity Act 2010* and federal legislation by providing a workplace free from bullying, discrimination and violence.

Council's policy aims to ensure that no employees are discriminated against in the workplace and all are treated fairly. It also seeks to foster a work environment that embraces diversity and provides respect for employees in all working relationships.

The Equal Opportunity Committee met quarterly throughout the year to discuss issues such as staff training, employment statistics and any changes to EO legislation that may impact Council.

Our commitment to Equal Opportunity will also be achieved by continuing to implement Nillumbik's Equal Opportunity program, which educates and informs all employees of their rights and responsibilities.

All office based new employees continue to be assigned online EO training to complete as part of their induction program and contact officers received refresher training in their role.

Protected Disclosures

Nillumbik is committed to the aims of the *Protected Disclosure Act 2012*. The Act enables people to make disclosures about improper conduct or detrimental action in the Victorian public sector without fear of reprisal.

Council has procedures for reporting disclosures of improper conduct or detrimental action by Nillumbik Shire Council employees or Councillors. These procedures enable disclosures to be made to Council's Protected Disclosure Coordinator, the Independent Broad-based Anti-corruption Commission or to the Victorian Ombudsman. Disclosures may be made by both employees or by members of the public.

Two disclosures were received under the *Protected Disclosure Act 2012* during the 2013-2014 financial year.

CORPORATE GOVERNANCE

Geographic Place Names

There were two applications for naming of localities or features considered by Council during 2013-2014:

Mountain Rush Junction, Heidelberg-Kinglake Road

Following a request by Emergency Services, Council, on 11 February 2014, approved the name of the unnamed location at the junction of the Heidelberg-Kinglake Road and the Old Kinglake Road as 'Mountain Rush Junction'.

The name of the Junction was developed in consultation with local historical societies to reflect the original name for the area during the gold mining period of the 1860s.

The name was approved by the Registrar of Geographic Names and registered on 13 March 2014.

Fabbro Fields, 2 Bell Street, Eltham

Following a request by the Eltham District Historical Society, Council, on 13 May 2014, approved the name 'Fabbro Fields' for the 4.87 ha property at 2 Bell Street, Eltham.

The name for the property was suggested to commemorate the long history and active farming involvement of the Fabbro family on the farmland along the western side of the Diamond Creek at Eltham.

The name was approved by the Registrar of Geographic Names and registered on 12 June 2014.

Disability Action Plan

Council's commitment to promote the inclusion of people with a disability is reflected in its four year Disability Action Plan (DAP), adopted in September 2013.

Achievements during the year include the review of Council's Inclusion Advisory Committee and the creation of a broader Network to expand the Committee's purpose to seek specialist advice around disability specific issues and facilitate integrated local community planning, coordination and engagement of people with a disability, carers and disability service providers.

Since the adoption of the DAP, the Community Inclusion Unit has provided advice and support regarding disability to more than 40 programs, policies and strategies.

Examples of this work include:

- Yarrambat Social Needs Analysis
- Eltham Town Square re-development
- Integrated Transport Strategy
- St Andrews Community Centre development
- Thrive Community Garden proposal
- Shire-wide Disability Discrimination Act compliance audits of all public Council buildings and facilities
- Inclusive Emergency Management
- Hurstbridge Wayfinding project
- the intergenerational housing proposal for Lot 1 in Hurstbridge.

Council has also ensured new and innovative opportunities exist for people with a disability across life stages through collaborative community based partnerships with a focus on sustainability.

Examples include:

- the Sensitive Santa project for families with children on the autism spectrum who had never had a Santa experience customised for their needs
- mental health program for young people aged 12-15
- disability awareness workshops, protocols and training offered for staff to ensure people with complex communication needs are met through Council, as well as training and programs made available for people with a disability to utilise technology, particularly beneficial for people in more rural, isolated areas.

Council also has a program dedicated to access improvements and this financial year Council significantly improved access from the car park to the various entry/exit points at Eltham Living & Learning Centre, Eltham Community Reception Centre and Diamond Valley Library.

Two permanent hearing loop systems have also been installed at Eltham Community Reception Centre which compliments the existing system at the Civic Centre. Two portable listening systems are also available for use.

CORPORATE GOVERNANCE

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, all Victorian councils must develop and adopt a Domestic Animal Management Plan (DAMP) every four years. Council is required to review the Plan annually and report achievements to the community through the annual report.

Nillumbik adopted its DAMP 2013-2017 in May 2013. The Plan sets a method for evaluating animal control services provided by Council to ensure they are adequate to give effect to the requirements of the Act and the regulations, outlines programs for training authorised officers and identifies services and strategies to promote and encourage the responsible ownership of dogs and cats.

Year one of the DAMP identified opportunities to provide fenced off-leash dog parks within the Shire. Council, in conjunction with the community, selected sites in Diamond Creek, Hurstbridge and Eltham. Concept designs were developed and construction of parks in Diamond Creek and Hurstbridge commenced.

Other key achievements included:

- the review and implementation of procedures for managing barking dog complaints
- maintaining Council's high animal registration compliance through the registration program and targeted 'door knock' program
- expanding on the government's 'Who's for cats' campaign by applying local strategies in relation to stray cats, partly owned cats and un-desexed cats.

Road Management Act 2004

Nillumbik Shire Council is responsible for the management of approximately 800 kilometres of road, of which 365 kilometres are unsealed, 350 kilometres of underground drainage, approximately 16,000 stormwater pits and 250 kilometres of footpaths.

The Road Management Plan forms the basis of Council's management of its road based assets and provides details of how Council will inspect, maintain and respond to road based asset issues.

The Road Management Plan was reviewed and amended in July 2013, in accordance with the *Road Management Act 2004*. The amendments took into account submissions received during public consultation, the recommendations of the MAV's Road Management Plan Guidance Document, November 2011 and the recommendations of the Roads and Drainage Maintenance service review.

The Plan considers the affordability, available resources and management of risks and determines levels of service that meet the community's reasonable expectations of day to day maintenance and ongoing asset function.

Council, as a road authority, is required under section 22 of the Act to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2013-2014.

Legislation that impacts on Council

Council undertakes a broad range of activities and services and conducts its activities under a highly-regulated environment.

Many acts and regulations, including those below, have a direct impact on Council and require significant compliance, contain specific provisions relevant to Council and have some form of indirect influence or require specific knowledge by staff carrying out their duties.

- *Australian Citizenship Act 2007*
- *Building Act 1993*
- *Country Fire Authority Act 1958*
- *Disability Discrimination Act (Commonwealth) 1992*
- *Disability Act 2006*
- *Domestic Animals Act 1994*
- *Emergency Management Act 2013*
- *Environment Protection Act 1970*
- *Equal Opportunity Act 2010*
- *Food Act 1984*
- *Freedom of Information Act 1992*
- *Geographic Place Names Act 1998*
- *Information Privacy Act 2000*
- *Local Government Act 1989*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987 and Nillumbik Planning Scheme*
- *Protected Disclosures Act 2012*
- *Public Health and Wellbeing Act 2008*
- *Public Records Act 1973*
- *Road Management Act 2004*
- *Road Safety Act 1986*
- *Subdivision Act 1998*
- *Victorian Charter of Human Rights and Responsibilities Act 2006*



CORPORATE GOVERNANCE

COUNCIL GRANTS TO THE COMMUNITY 2013-2014

Arts Related

| | |
|------------|------------------|
| Montsalvat | 31,733.00 |
| | 31,733.00 |

Business and Tourism Development Grants

| | |
|-------------------------------|------------------|
| Nillumbik Tourism Association | 27,000.00 |
| | 27,000.00 |

Community Festivals/Fairs

| | |
|---|-------------------|
| Diamond Creek Rotary Club | 31,694.00 |
| Eltham Rotary Club | 57,322.00 |
| Hurstbridge Traders – Wattle Festival | 27,218.00 |
| Panton Hill – On the Hill Festival | 15,297.00 |
| Eltham Chamber of Commerce | 35,348.00 |
| Welcome Platypus Festival | 5,600.00 |
| Warrandyte Festival Committee | 13,931.00 |
| Nillumbik Reconciliation Group | 9,000.00 |
| St Margarets Anglican Church – New Voices | 3,000.00 |
| | 198,410.00 |

Community Group Support Grants

| | |
|-------------------------------------|------------------|
| Christmas Hills Mechanics Institute | 4,000.00 |
| Eltham Toy Library | 500.00 |
| Rotary Club of Eltham | 931.82 |
| Eltham Football Club | 1,500.00 |
| Austin Health Opportunity Shop | 670.85 |
| Auspicious Arts Projects | 2,000.00 |
| Research Eltham Collegians | 1,000.00 |
| Hurstbridge Preschool | 500.00 |
| YMCA Community Bank Stadium | 500.00 |
| Parkrun Australia | 1,000.00 |
| Arthurs Creek Primary School | 500.00 |
| Eltham High School | 2,876.00 |
| Eltham Little Theatre | 1,000.00 |
| St Andrews Community Centre | 2,000.00 |
| Diamond Valley Sports & Fitness | 600.00 |
| Lions Club of Nillumbik | 700.00 |
| Plenty Valley Community Radio | 1,022.73 |
| Local Food Connect | 2,997.00 |
| Thou Art Mum | 954.55 |
| Diamond Creek Doreen RSL | 1,100.00 |
| Diamond Creek Traders Association | 1,760.00 |
| Wattle Glen Residents' Association | 497.45 |
| Eltham Netball Club Inc | 2,000.00 |
| The Butterfly Studio | 600.00 |
| Plenty Historical Society Inc | 3,000.00 |
| Yarra Plenty Regional Library | 3,000.00 |
| Parkrun Australia | 1,000.00 |
| Koori Kids Pty Ltd | 450.00 |
| | 38,660.40 |

Cultural Development Grants

| | |
|-------------------------------|------------------|
| Theatre 451 Inc | 3,000.00 |
| Yarra Plenty Regional Library | 1,080.00 |
| Eltham PreSchool | 3,000.00 |
| H. Lucas | 3,000.00 |
| | 10,080.00 |

Fire Brigades

| | |
|--|------------------|
| Arthurs Creek Fire Brigade | 2,722.22 |
| Hurstbridge Fire Brigade | 2,722.22 |
| Kinglake Fire Brigade | 2,722.22 |
| Nillumbik Group Fire Brigade | 2,722.22 |
| North Warrandyte Fire Brigade | 2,722.22 |
| Panton Hill Fire Brigade | 2,722.22 |
| Research Fire Brigade | 2,722.22 |
| Yarrambat Fire Brigade | 2,722.22 |
| Wattle Glen Fire Brigade | 2,722.22 |
| Christmas Hills Fire Brigade | 2,722.22 |
| Doreen Fire Brigade | 2,722.22 |
| Whittlesea / Diamond Valley Group Fire Brigade | 2,722.22 |
| Diamond Creek Fire Brigade | 2,722.22 |
| Eltham Fire Brigade | 2,722.22 |
| Plenty Fire Brigade | 2,722.22 |
| Kangaroo Ground Fire Brigade | 2,722.22 |
| St Andrews Fire Brigade | 2,722.22 |
| Nillumbik Fire Brigade | 2,722.22 |
| | 48,999.96 |

Heritage Grants

| | |
|--|-----------------|
| Plenty Historical Society Inc | 600.00 |
| Allwood Neighbourhood House Inc | 600.00 |
| Eltham District Historical Society | 600.00 |
| Yarrambat Historical Society | 600.00 |
| Queenstown Cemetery Trust | 600.00 |
| St Andrews/Queenstown Historical Society | 600.00 |
| Nillumbik Historical Society | 600.00 |
| Andrew Ross Museum | 600.00 |
| Warrandyte Historical Society | 600.00 |
| | 5,400.00 |

Occasional Childcare Centres

| | |
|-----------------------|------------------|
| Hohnes Road Playhouse | 25,454.00 |
| | 25,454.00 |

Operational

| | |
|--------------------------------------|------------------|
| Diamond Valley Community Support | 13,636.00 |
| Allwood Neighbourhood House | 11,137.00 |
| North East Region Volunteer Resource | 11,570.00 |
| | 36,343.00 |

Sports and Recreational Achievements

| | |
|----------------|-----------------|
| 20 individuals | 2,950.00 |
| | 2,950.00 |

Youth Support Grants

| | |
|------------------------------------|-----------------|
| Eltham High School | 2,000.00 |
| Nillumbik Community Health Service | 3,000.00 |
| Montsalvat | 1,000.00 |
| | 6,000.00 |

| | |
|-----------------------------------|-------------------|
| Total grants and donations | 423,950.36 |
| (Note: Amounts are GST Exclusive) | |

CORPORATE GOVERNANCE

VICTORIAN LOCAL GOVERNMENT INDICATORS

| INDICATOR | DESCRIPTION | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|------------------------|---|-----------|-----------|-----------|-----------|-----------|
| Overall performance | Community satisfaction rating for overall performance generally of the Council | 6.16* | 6.44* | 6.33* | 59 | 59 |
| Advocacy | Community satisfaction rating for Council's lobbying on behalf of the community | 5.91* | 6.37* | 6.31* | 57 | 57 |
| Community consultation | Community satisfaction rating for Council's consultation and engagement | 6.18* | 6.24* | 6.23* | 56 | 58 |
| All rates | Average rates and charges per assessment | \$2306 | \$2,136 | \$2,019 | \$1,903 | \$1,784 |
| Residential rates | Average residential rates per assessment | \$2294 | \$2,212 | \$2,092 | \$1,873 | \$1,757 |
| Operating costs | Average operating expenditure per assessment | \$3350 | \$3,440 | \$3,571 | \$3,187 | \$2,871 |
| Capital expenditure | Average capital expenditure per assessment | \$736 | \$291 | \$783 | \$788 | \$693 |
| Infrastructure | Renewal | N/A | N/A | 72% | N/A | 76% |
| Infrastructure | Renewal and maintenance | N/A | N/A | 83% | N/A | 85% |
| Debt | Average liabilities per assessment | \$1565 | \$1,560 | \$1,871 | \$1,524 | \$1,312 |
| Operating results | Operating result per assessment | \$291 | \$65 | \$1,601 | \$344 | \$244 |

* Out of 10. In 2011, 2013 and 2014, Nillumbik Shire Council chose not to take part in the Local Government Victoria Community Satisfaction Survey, and instead conducts its own Annual Community Survey. Further details are on page 26 of this Annual Report.

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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STANDARD INCOME STATEMENT

FOR THE YEAR ENDING 30 JUNE 2014

| | Budget 2013-2014 \$'000 | Favourable \$'000 | Variations (Unfavourable) % | Ref | Actuals 2013-2014 \$'000 |
|--|-------------------------------|----------------------|-----------------------------------|-----|--------------------------------|
| Revenue | | | | | |
| Rates and charges | 52,703 | 53 | 0.1 | | 52,756 |
| Statutory fees and fines | 916 | 62 | 6.8 | | 978 |
| User fees | 12,327 | (34) | (0.3) | | 12,293 |
| Grants – operating | 6,229 | 201 | 3.2 | | 6,430 |
| Other revenue | 2,518 | 24 | 1.0 | | 2,542 |
| Total revenue | 74,693 | 306 | | | 74,999 |
| Expenses | | | | | |
| Employee benefits | 28,481 | (251) | (0.9) | | 28,732 |
| Contracts, materials and services | 25,243 | (3,991) | (15.8) | 2 | 29,234 |
| Bad and doubtful debts | 3 | (43) | (1,433.3) | 2 | 46 |
| Depreciation and amortisation | 8,447 | (780) | (9.2) | | 9,227 |
| Finance costs | 1,133 | 141 | 12.4 | 2 | 992 |
| Other expenses | 9,464 | 1,185 | 12.5 | 2 | 8,279 |
| Total expenses | 72,771 | (3,739) | | | 76,510 |
| Net gain (loss) on disposal of property, infrastructure, plant, and equipment | – | (142) | (100.0) | 2 | (142) |
| Share of net profits (losses) of associates | – | 146 | 100.0 | 2 | 146 |
| Underlying Surplus (deficit) for the year | 1,922 | (3,429) | | | (1,507) |
| Grants – capital | 1,080 | 2,662 | 246 | 2 | 3,742 |
| Contributions | 2,505 | 1,919 | 76.6 | 2 | 4,424 |
| Comprehensive Surplus (deficit) for the year | 5,506 | 1,152 | | | 6,659 |

STANDARD BALANCE SHEET

FOR THE YEAR ENDING 30 JUNE 2014

| | Budget 2013-2014 \$'000 | Favourable \$'000 | Variations (Unfavourable) % | Ref | Actuals 2013-2014 \$'000 |
|---|-------------------------------|----------------------|-----------------------------------|-----|--------------------------------|
| Current assets | | | | | |
| Cash and cash equivalents | 16,285 | 4,099 | 25.2 | 3 | 20,384 |
| Receivables | 5,693 | 2,549 | 44.8 | 3 | 8,242 |
| Prepayments and accruals | 2,619 | (1,912) | (73.0) | 3 | 707 |
| Land held for resale | 745 | – | – | | 745 |
| Inventories | 28 | (3) | (10.7) | 3 | 25 |
| Total current assets | 25,370 | 4,733 | | | 30,103 |
| Non-current assets | | | | | |
| Trade and other receivables | 1,561 | (168) | (10.8) | 3 | 1,393 |
| Property, plant and equipment, infrastructure | 646,738 | 669 | 0.1 | | 647,407 |
| Other financial assets | 1,052 | 169 | 16.1 | 3 | 1,221 |
| Total non-current assets | 649,351 | 670 | | | 650,021 |
| Total assets | 674,721 | 5,403 | | | 680,124 |
| Current liabilities | | | | | |
| Trade and other payables | 6,121 | 2,012 | 32.9 | 3 | 4,109 |
| Interest bearing liabilities | 1,586 | 41 | 2.6 | | 1,545 |
| Provisions | 7,163 | 488 | 6.8 | | 6,675 |
| Trusts | 1,085 | (81) | (7.5) | | 1,166 |
| Total current liabilities | 15,955 | 2,460 | | | 13,495 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 15,265 | 1,645 | 10.8 | 3 | 13,620 |
| Provisions | 8,629 | (63) | (0.7) | | 8,692 |
| Total non-current liabilities | 23,894 | 1,582 | | | 22,312 |
| Total liabilities | 39,849 | 4,042 | | | 35,807 |
| Net assets | 634,872 | 9,445 | | | 644,317 |
| Equity | | | | | |
| Other reserves | 8,769 | 9,676 | 110.3 | 3 | 18,445 |
| Asset revaluation reserve | 269,031 | 514 | 0.2 | | 269,545 |
| Accumulated surplus | 357,072 | (745) | (0.2) | | 356,327 |
| Total equity | 634,872 | 9,445 | | | 644,317 |

STANDARD CASH FLOW STATEMENT

FOR THE YEAR ENDING 30 JUNE 2014

| | Budget 2013-2014 \$'000 | Favourable \$'000 | Variances (Unfavourable) % | Ref | Actuals 2013-2014 \$'000 |
|---|-------------------------------|----------------------|----------------------------------|-----|--------------------------------|
| Cash flows from operating activities | | | | | |
| Receipts from customers | 70,446 | 736 | 1.0 | | 71,182 |
| Payments to suppliers | (67,822) | (2,498) | (3.7) | | (70,320) |
| Net cash inflow (outflow) from customers/suppliers | 2,624 | (1,762) | | | 862 |
| Interest received | 904 | 33 | 3.7 | | 937 |
| Government receipts | 6,965 | 4,373 | 62.8 | 4 | 11,338 |
| Net cash inflow (outflow) from operating activities | 10,494 | 2,644 | | | 13,137 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment, infrastructure | 3,436 | (2,083) | (60.6) | 4 | 1,353 |
| Payments for property, plant and equipment, infrastructure | (13,704) | (888) | (6.5) | | (14,592) |
| Payments for Investments | – | (300) | (100.0) | 4 | (300) |
| Net cash inflow (outflow) from investing activities | (10,268) | (3,271) | | | (13,539) |
| Cash flows from financing activities | | | | | |
| Proceeds from interest bearing loans and borrowings | 3,872 | (1,480) | (38.2) | 4 | 2,392 |
| Repayment of interest bearing loans and borrowings | (2,381) | (69) | (2.9) | | (2,450) |
| Finance Costs | – | 993 | (100.0) | 4 | (993) |
| Net cash inflow (outflow) from financing activities | 1,491 | (556) | | | (1,051) |
| Net increase (decrease) in cash and cash equivalents | 1,717 | (3,170) | (184.6) | | (1,453) |
| Cash and cash equivalents at the beginning of the year | 14,568 | 2,669 | 18.3 | | 17,237 |
| Cash and cash equivalents at the end of the year | 16,285 | (501) | | | 15,784 |
| Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities | | | | | |
| <i>For the year ending 30 June 2014</i> | | | | | |
| Surplus/(deficit) | 5,506 | 1,153 | 20.9 | | 6,659 |
| Depreciation and amortisation | 8,447 | 780 | 9.2 | | 9,227 |
| (Profit) loss on sale of property, plant and equipment, infrastructure | – | 142 | | | 142 |
| Gifted infrastructure/artwork | – | (3,207) | | | (3,207) |
| Adjustment to equity interest Yarra Plenty Regional Library | – | (146) | | | (146) |
| Net movement in current assets and liabilities | (3,459) | 2,929 | (84.7) | | (530) |
| Finance Costs | – | 993 | | | 993 |
| Net cash inflow (outflow) from operating activities | 10,494 | 1,651 | | | 13,137 |

STANDARD STATEMENTS OF CAPITAL WORKS

FOR THE YEAR ENDING 30 JUNE 2014

| | Budget 2013-2014 \$'000 | Favourable \$'000 | Variences (Unfavourable) % | Ref | Actuals 2013-2014 \$'000 |
|--|-------------------------------|----------------------|----------------------------------|-----|--------------------------------|
| Capital Works Areas | | | | | |
| Bridges | 150 | 134 | 89.3 | 5 | 284 |
| Children's playground equipment | 178 | 177 | 99.4 | 5 | 355 |
| Commercial centres/major streetscapes | 135 | 289 | 214.1 | 5 | 424 |
| Miscellaneous | 25 | 584 | 2,336.0 | 5 | 609 |
| Disability access works | 50 | 68 | 136.0 | 5 | 118 |
| Drainage | 480 | 18 | 3.8 | | 498 |
| Footpaths | 600 | (86) | (14.3) | 5 | 514 |
| Landfill/operations centre | 1,216 | (1,216) | (100.0) | 5 | – |
| Major leisure centres and community halls | 550 | 234 | 42.5 | 5 | 784 |
| Other council buildings | 1,309 | 5,566 | 425.2 | 5 | 6,875 |
| Plant and vehicle replacement | 2,297 | (1,046) | (45.5) | 5 | 1,251 |
| Public open space | 878 | 144 | 16.4 | 5 | 1,022 |
| Recreation trails | 353 | 1 | 0.3 | | 354 |
| Roads | 1,480 | 1,191 | 80.5 | 5 | 2,671 |
| Special Charge Schemes (Council contributions) | 321 | (12) | (3.7) | | 309 |
| Sportsfields and pavilions | 876 | (416) | (47.5) | 5 | 460 |
| Traffic works | 2,808 | (2,498) | (89.0) | 5 | 310 |
| Total Capital Works | 13,704 | 3,132 | | | 16,838 |

Represented by:

| | | | | | |
|----------------------------|---------------|--------------|--------|--|---------------|
| Asset renewal | 6,037 | (687) | (11.4) | | 5,350 |
| Asset upgrade | 4,522 | 3,896 | 86.2 | | 8,418 |
| New | 3,144 | (74) | (2.4) | | 3,070 |
| Total capital works | 13,704 | 3,135 | | | 16,838 |

| | Budget 2013-2014 \$'000 | Favourable \$'000 | Variences (Unfavourable) % | Ref | Actuals 2013-2014 \$'000 |
|---|-------------------------------|----------------------|----------------------------------|-----|--------------------------------|
| The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items: | | | | | |
| | 13,704 | 3,135 | (22.9) | | 16,838 |
| Asset revaluation movement | – | 513 | – | | 513 |
| Depreciation and amortisation | (8,447) | (780) | (9.2) | | (9,227) |
| Written down value of assets sold | (3,436) | 1,940 | 56.5 | | (1,496) |
| Gifted | – | 3,207 | 100.0 | | 3,207 |
| Net movement in property, plant and equipment, infrastructure | 1,823 | 8,015 | | | 9,835 |

NOTES ACCOMPANYING THE STANDARD STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

1. Basis of preparation of Standard Statements

Nillumbik Shire Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required – a Standard Income Statement, a Standard Balance Sheet, a Standard Statement of Cash Flows, and a Standard Statement of Capital Works together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act 1989* and the Local Government (Finance and Reporting) Regulations 2004 (Superseded by the *Local Government Planning and Reporting Regulations 2014*).

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Report and the Budget for the 2013-2014 financial year. 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 is included on pages 8 to 49 of the Annual Financial Report which forms part of Council's Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

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

The budget figures included in the Standard Statements are those adopted by the Council on 25 June 2013. 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 the 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 on pages 8 to 49. The detailed budget can be obtained by contacting Council or through the Council's web site. The Standard Statements must be read with reference to these documents.

EXPLANATION OF MATERIAL VARIANCES

2. Standard Income Statement

Materials and Services – Variance is mainly due to unbudgeted carry forward new initiative works from 2012-2013 (\$2.8M) and expenditure categorised as capital works which has been transferred to operating (e.g. maintenance).

Bad and Doubtful Debts – An increase in Doubtful Debts expense has resulted from decreased collections from Perin Court.

Finance Costs – Variance due to lower than anticipated borrowing interest costs as a result of the deferral of capital works borrowings.

Other Expenses – Variance due to small reductions in all areas of other expenditure.

Net gain(loss) on disposal of property, plant and equipment – No budget provision was made for any net gain or loss on disposal of property, plant and equipment.

Share of net profits/(losses) of associates – No budget provision was made for a change in equity for Council's investment in the Yarra Plenty Regional Library Service (YPRLS).

Capital Grants – Variance due to grants received but not budgeted for (Hurstbridge Community Centre \$947K, St Andrews Community Centre \$650K and Hurstbridge Stormwater Recycling System \$450K).

Contributions – No budget provision was made for gifted land/Infrastructure.

NOTES ACCOMPANYING THE STANDARD STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

3. Standard Balance Sheet

Cash and cash equivalents – Lower than anticipated payments for property, plant and equipment, infrastructure due to delayed capital works. The budgeted figure does not include spend on carry forward works from previous years.

Receivables – Variance due to higher than forecast rates and special charge scheme debtors at year end.

Prepayments and accruals – Variance is due to lower than anticipated accrued bushfire and flood reimbursement funding as a result of finalising of national disaster recovery reimbursement arrangements.

Inventories – Variance relates to the amount of stored fuel at year end. Fuel stock was lower than forecast in the annual budget.

Trade and other receivables (Non-Current) – Receivables are lower than anticipated due to a number of special charge schemes not commencing by 30 June.

Other Financial Assets – Variance due to budget estimates for 2013-2014 being based on Council's share of the Yarra Plenty Regional Library corporation prior to the increase in shareholding in 2012-2013.

Trade and other payables – Variance relates to a lower than anticipated number of accrued invoices from suppliers post year end. This has resulted in payables being lower than anticipated.

Interest Bearing Liabilities – Variance due to borrowings budgeted for but not taken up in 2013-2014.

Other reserves – Reflects unbudgeted carry forwards and grants received in advance.

4. Standard Statement of Cash Flows

Government receipts – Variance due to carry forward grants received in 2013-2014 (Hurstbridge Community Centre \$947K, St Andrews Community Centre \$650K, Hurstbridge Stormwater Recycling System \$300K, Eltham SES Shed \$110K, Civic Drive Integrated Water Management \$212K and New Initiative grants of \$1M).

Proceeds from sale of property, plant, equipment, infrastructure – Budgeted proceeds from sale of 26 Pryor Street and 27 Arthur Street of \$1.7M will be received in 2014-2015. Settlement date is 7 July 2014.

Payments for investments – This relates to the increase in investment to cover long service leave liability which is unbudgeted.

Proceeds from borrowings – Borrowing for capital works projects (Edendale Community Environment Centre \$300K, Eltham Town Square \$680K and St Andrew Community Centre \$500K) have been delayed to future years.

Finance Costs – Variance due to budgeted loan interest (\$1.1M) being categorised as Payments to Suppliers in the Adopted Budget.

5. Standard Statements of Capital Works

Bridges – Variance due to carry forward works on Main Road footbridge completed in 2013-2014.

Children's Playground Equipment – Variance due to carry forward works on Alistair Knox Playground completed in 2013-2014.

Commercial Centre/Major streetscapes – Variance due to carry forward works on Eltham Town Square and Hurstbridge Streetscape undertaken in 2013-2014.

Miscellaneous – Variance due to carry forward works on Eltham SES Shed undertaken in 2013-2014.

Disability access works – Variance due to carry forward works on Eltham Community and Reception Centre and Eltham Living and Learning Centre completed in 2013-2014.

Footpaths – Variance due to works budgeted for but not finalised in the 2013-2014 financial year.

Landfill – Variance due to works budgeted but not commenced in the 2013-2014 financial year.

Major Leisure Centres – Variance due to carry forward works on Diamond Creek Stadium, Eltham Leisure Centre and Yarrambat Park Golf Course completed in 2013-2014.

Other Council Buildings – Variance due to carry forward works on Hurstbridge Community Centre and St Andrews Community Centre completed in 2013-2014.

Plant and Vehicle replacement – Variance due to delays in the purchase of replacement plant and vehicles.

Public Open space – Variance due to carry forward works on Hurstbridge Stormwater Recycling System undertaken in 2013-2014.

Roads – Variance due to works budgeted for as Traffic Works but classed as Roads.

Sportfields and Pavilions – Variance due to works budgeted for on Eltham Central Oval, Eltham North Lights and but sportsfield renewal not finalised in the 2013-2014 financial year.

Traffic Works – Variance due to works budgeted for as Roads but classed as Traffic Works.

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* and the *Local Government (Finance and Reporting) Regulations 2004* (superseded by the *Local Government Planning and Reporting Regulations 2014*).



Principal Accounting Officer, Amy Montalti CPA

Date: 26/8/2014

GREENSBOROUGH

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* (superseded by the *Local Government Planning and Reporting Regulations 2014*).

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.

On 26 August 2014 we were authorised by the Council to certify the financial report in its final form on behalf of the Council.



Councillor Michael Young (Mayor)

Date: 26/8/2014



Councillor Ken King

Date: 26/8/2014



Chief Executive Officer, Stuart Burdack

Date: 26/8/2014

GREENSBOROUGH

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | 2014 \$'000 | 2013 \$'000 |
|--|-------|-----------------|-----------------|
| REVENUE | | | |
| Rates and charges | 2 | 52,756 | 48,037 |
| Statutory fees and fines | 3 | 978 | 805 |
| User fees | 4 | 12,293 | 12,710 |
| Grants – Recurrent | 5 | 6,232 | 6,322 |
| Grants – Non-recurrent | 5 | 198 | 2,026 |
| Reimbursements | 7 | 160 | 91 |
| Other income | 8 | 2,382 | 2,462 |
| Share of net profits of associates and joint ventures accounted by the equity method | 15 | 146 | 17 |
| TOTAL REVENUE | | 75,145 | 72,470 |
| EXPENSES | | | |
| Employee benefits | 9 | (28,732) | (26,860) |
| Materials and services | 10 | (29,234) | (31,381) |
| Bad and doubtful debts | 11 | (46) | (51) |
| Depreciation and amortisation | 12 | (9,227) | (8,858) |
| Finance costs | 13 | (992) | (1,033) |
| Contributions to Yarra Plenty Regional Library Service | 16 | (2,285) | (2,313) |
| Other expenses | 14 | (5,994) | (6,465) |
| TOTAL EXPENSES | | (76,510) | (76,961) |
| NET RESULT PRIOR TO CAPITAL INCOME AND ASSET ITEMS | | (1,365) | (4,491) |
| Net (loss) on disposal of property, plant and equipment, infrastructure | | (142) | (403) |
| Capital Grants | 5 | 3,742 | 2,255 |
| Capital Contributions | 6 | 1,217 | 3,503 |
| Contributions – Non-monetary Assets | 6 | 3,207 | 608 |
| NET RESULT FOR THE YEAR | | 6,659 | 1,472 |
| OTHER COMPREHENSIVE INCOME | | | |
| Net asset revaluation increment | 26 | 513 | – |
| COMPREHENSIVE RESULT | | 7,172 | 1,472 |

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

BALANCE SHEET

AS AT 30 JUNE 2014

| | Notes | 2014 \$'000 | 2013 \$'000 |
|---|-------|----------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 17 | 15,784 | 17,237 |
| Investment | 17 | 4,600 | 4,300 |
| Trade and other receivables | 18 | 8,242 | 5,871 |
| Land identified for sale | 1(w) | 745 | 745 |
| Inventories | 19 | 25 | 20 |
| Other Assets | 20 | 707 | 1,356 |
| Total Current Assets | | 30,103 | 29,529 |
| Non-current Assets | | | |
| Trade and other receivables | 18 | 1,393 | 1,743 |
| Other financial assets | | 5 | 5 |
| Investment in associate accounted for using the equity method | 15 | 1,216 | 1,070 |
| Property, plant and equipment, infrastructure | 21 | 647,407 | 639,884 |
| Total Non-current Assets | | 650,021 | 642,702 |
| Total Assets | | 680,124 | 672,231 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 22 | 4,109 | 3,478 |
| Trust funds and deposits | 23 | 1,166 | 1,048 |
| Provisions | 24 | 6,675 | 6,225 |
| Interest-bearing liabilities and borrowings | 25 | 1,545 | 2,517 |
| Total Current Liabilities | | 13,495 | 13,268 |
| Non-current Liabilities | | | |
| Provisions | 24 | 8,692 | 9,044 |
| Interest-bearing liabilities and borrowings | 25 | 13,620 | 12,774 |
| Total Non-current Liabilities | | 22,312 | 21,818 |
| Total Liabilities | | 35,807 | 35,086 |
| NET ASSETS | | 644,317 | 637,145 |
| Represented by: | | | |
| Accumulated surplus | | 356,327 | 346,946 |
| Reserves | 26 | 287,990 | 290,199 |
| TOTAL EQUITY | | 644,317 | 637,145 |

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

* Nillumbik Shire Council has a correction of an error as outlined in note 1(v). Due to the correction of error not being material a third balance sheet has not been presented.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | Total 2014 \$ '000 | Accumulated Surplus 2014 \$ '000 | Asset Revaluation Reserve 2014 \$ '000 | Other Reserves 2014 \$ '000 |
|---|--------------|--------------------------|---|--|--------------------------------------|
| 2014 | | | | | |
| | | | | | |
| Balance at beginning of the financial year | | 637,145 | 346,946 | 269,032 | 21,167 |
| Surplus for the year | | 6,659 | 6,659 | – | – |
| Net asset revaluation increment | 26(a) | 513 | – | 513 | – |
| Transfer to other reserves | 26(b) | – | (11,629) | – | 11,629 |
| Transfer from other reserves | 26(b) | – | 14,351 | – | (14,351) |
| Balance at end of the financial year | | 644,317 | 356,327 | 269,545 | 18,445 |

| | Notes | Total 2013 \$ '000 | Accumulated Surplus 2013 \$ '000 | Asset Revaluation Reserve 2013 \$ '000 | Other Reserves 2013 \$ '000 |
|---|--------------|--------------------------|---|--|--------------------------------------|
| 2013 | | | | | |
| | | | | | |
| Balance at beginning of the financial year | | 628,297 | 341,023 | 269,032 | 18,242 |
| Correction of error * | | 7,376 | 7,376 | – | – |
| Adjusted Opening Balance | | 635,673 | 348,399 | 269,032 | 18,242 |
| Surplus for the year | | 1,472 | 1,472 | – | – |
| Net asset revaluation increment | 26(a) | – | – | – | – |
| Transfer to other reserves | 26(b) | – | (15,322) | – | 15,322 |
| Transfer from other reserves | 26(b) | – | 12,397 | – | (12,397) |
| Balance at end of the financial year | | 637,145 | 346,946 | 269,032 | 21,167 |

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

* Nillumbik Shire Council has a correction of an error as outlined in note 1(v).

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | 2014 \$'000 | 2013 \$'000 |
|--|-----------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Rates | | 51,208 | 46,744 |
| Statutory fees and fines | | 978 | 805 |
| User charges and other fines (GST inclusive) | | 12,730 | 13,202 |
| Grants (GST inclusive) | | 11,338 | 12,681 |
| Developer contributions (GST Inclusive) | | 1,217 | 3,503 |
| Reimbursements (GST Inclusive) | | 160 | 91 |
| Interest | | 937 | 1,053 |
| Rents (GST Inclusive) | | 745 | 731 |
| Other receipts (GST Inclusive) | | 4,144 | 3,448 |
| Payments to suppliers (GST Inclusive) | | (33,867) | (41,567) |
| Payments to employees (including redundancies) | | (28,292) | (26,433) |
| Trust Accounts | | 118 | (37) |
| Other payments | | (8,279) | (8,778) |
| Net cash provided by operating activities | 27 | 13,137 | 5,443 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment, infrastructure | | (14,592) | (6,686) |
| Proceeds from sale of other financial assets | | 1,353 | 849 |
| Payments for Investments | | (300) | (4,300) |
| Net cash (used in) investing activities | | (13,539) | (10,137) |
| Cash flows from financing activities | | | |
| Finance costs | | (993) | (1,033) |
| Proceeds from interest bearing liabilities and borrowings | | 2,392 | 400 |
| Repayment of interest bearing liabilities and borrowings | | (2,450) | (1,148) |
| Net cash (used in) financing activities | | (1,051) | (1,781) |
| Change in cash held | | | |
| Net increase (decrease) in cash and cash equivalents | | (1,453) | (6,475) |
| Cash and cash equivalents at the beginning of the financial year | | 17,237 | 23,712 |
| Cash at the end of the financial year | 28 | 15,784 | 17,237 |
| Non-cash financing and investing activities | 29 | | |
| Restrictions on cash assets | 30 | | |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

Introduction

- (a) The Nillumbik Shire Council was established by an order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at Civic Drive, Greensborough 3088.
- (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 the 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
 - to ensure transparency and accountability in Council decision making.

External Auditor – Auditor-General of Victoria

Internal Auditor – Crowe Horwath

Solicitor – Maddocks

Banker – Commonwealth Banking Corporation

Website – www.nillumbik.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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, *Local Government Act 1989*, and the *Local Government (Finance and Reporting) Regulations 2004* (superseded by the *Local Government Planning and Reporting Regulations 2014*).

NOTE 1

Significant Accounting Policies

(a) Basis of Accounting

This financial report has been prepared on an accrual and going concern basis.

This financial report has also been prepared under the historical cost convention, except where specifically stated in notes 1(h), 1(j) and 1(l).

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

(b) Change in Accounting Policy

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements.

The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see note 44 disclosures).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

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

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

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(c) Revenue recognition

Rates, grants, and contributions

Rates, grants, and contributions (including developer contributions) are recognised as revenue when 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 represent 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 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

User charges, fees, and fines

User charges, 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, and infrastructure

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

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Dividends

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

(d) 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.

(e) Depreciation and amortisation of non-current assets

Buildings, land improvements, plant and equipment, infrastructure, heritage assets and other assets having limited useful lives are systematically depreciated over their useful lives to 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 infrastructure 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.

Artworks are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

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

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

| Class of Asset | Useful life in years |
|--|----------------------|
| Land improvements | 50 |
| Playgrounds | 10 |
| Buildings | 50-100 |
| Motor vehicles | 6-7 |
| Roads | |
| Road bases | 30-80 |
| Unsealed, speed humps, footpaths, kerbs and channels | 50 |
| School crossings and sealed road surfaces | 20 |
| Bike paths | 15 |
| Office equipment | |
| Computers | 3 |
| Other | 6-7 |
| Plant major | 6-7 |
| Plant minor | 6-7 |
| Sound system (musical instruments) | 10 |
| Box trailers | 6-7 |
| Brush cutters | 2-3 |
| Miscellaneous | 4 |
| Furniture and fittings | 6-7 |
| Bridges – concrete/steel | 100 |
| Bridges – timber | 50 |
| Culverts | 100 |
| Drains and pits | |
| Concrete pipes | 100 |
| PVC pipes | 50 |
| Pits | 100 |
| Other infrastructure assets | |
| Litter bins | 5 |
| Bins (domestic) | 15 |
| Guard fence | 10 |
| Street signals | 10 |
| Decorations | 6-7 |
| Fire hydrants | 50 |
| Bus shelters | 20 |
| Reserves furniture | 17 |

(f) 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, these amounts are capitalised and depreciated. The carrying value of the replaced asset is expensed.

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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

(h) 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 an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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. There has been no change in threshold in the current financial year.

| Class of Asset | Threshold \$ |
|-------------------|--------------|
| Land Improvements | 5,000 |
| Buildings | 5,000 |
| Playgrounds | 1,000 |

Roads:

| | |
|---|-------|
| Sealed, unsealed, footpaths, kerbs and channels, road bases, bike paths, speed humps, school crossings and earthworks | 5,000 |
|---|-------|

| | |
|------------------|-------|
| Office equipment | 1,000 |
|------------------|-------|

Plant and machinery:

| | |
|----------------|-------|
| Major plant | 1,000 |
| Minor plant | 1,000 |
| Motor vehicles | Nil |

| | |
|------------------------|-------|
| Furniture and fittings | 1,000 |
| Artworks | 500 |

Bridges:

| | |
|------------------|-------|
| Bridges | 5,000 |
| Culverts | 5,000 |
| Pipes (drainage) | 5,000 |
| Pits (drainage) | 5,000 |

| | |
|-----------------------------|-------|
| Other infrastructure assets | 5,000 |
|-----------------------------|-------|

| | |
|-----------------------------------|-----|
| Land (including land under roads) | Nil |
|-----------------------------------|-----|

| | |
|--|-----|
| Work in progress (dependant on class of asset and value of finished product) | Nil |
|--|-----|

Revaluation

Subsequent to initial recognition of assets, non-current physical assets, other than plant and machinery, furniture and equipment, are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's 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, currently every second year. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are charged directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset and is recognised as revenue up to a maximum of the decrement previously recognised as an expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken into 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 deemed cost basis. Council does not recognise land under roads that it controlled prior to 30 June 2008 in its financial report.

(i) Cash and cash equivalents

For the purposes of the statement of cash flows, 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.

(j) Other financial assets

Investment in MAPS and the Local Government Health Plan are valued at cost. Any dividends paid are taken up as revenue.

(k) Investments

Investments, other than investments in associates, are measured at cost.

(l) Investment in associate

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 income statement.

(m) Tender deposits

Amounts received as tender deposits and retention amounts controlled by the Council are recognised as Trust Funds until they are returned or forfeited (refer to Note 23).

(n) 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 on costs 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 on costs, expected to be paid when settled. Four weeks of annual leave is the amount that is expected to be paid within 12 months and this is the amount that has been classed as current expected to be settled within 12 months. All remaining annual leave is classed as current expected to be settled after 12 months.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related on costs 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 superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

(o) Leases

Finance leases

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the present value of the minimum lease payments, including any guaranteed minimum residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(p) 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 operational cycle, or if Council does not have an unconditional right to defer settlement beyond 12 months after the reporting date.

(q) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet.

(r) Web site costs

Costs in relation to web sites controlled by Council are charged as expenses in the period in which they are incurred.

(s) Goods and Services Tax (GST)

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

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

(t) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(u) Rounding

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

(v) Accounting policies, changes in accounting estimates and errors

AASB 108 prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.

Opening Accumulated surplus for 2013-2014 has been adjusted for recognition of previously unrecognised non-current assets. This has resulted in a net change to non-current assets of \$7.376M (Land \$384K, Buildings \$1.503M, Roads/Earthworks \$1.649M, Kerb and Channel \$29K, Footpaths/bike paths \$270K, and Drains \$3.541M).

(w) Non-current assets held for sale

AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* requires an entity to classify a non-current asset as held for sale if its carrying amount will be recovered principally through its sale rather than through continued use. A non-current asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. In addition, depreciation ceases when an asset has been classified as held for sale.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

2014 **2013**
\$000 **\$000**

NOTE 2 RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. Capital Improved Value is the market value of land and all improvements at a given point in time. The valuation base used to calculate general rates for 2013-2014 was \$13.21 billion (2012-2013 \$13.09 billion).

| | | |
|---------------------------|---------------|---------------|
| Residential | 40,069 | 36,155 |
| Commercial/Industrial | 2,142 | 1,969 |
| Supplementary rates | 59 | 234 |
| Municipal charge | 2,652 | 2,215 |
| Waste management charge | 7,559 | 7,246 |
| Special Rates and charges | 275 | 218 |
| | 52,756 | 48,037 |

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 next general revaluation was undertaken 1 January 2014 with application in the rating year commencing 1 July 2014.

NOTE 3 STATUTORY FEES AND FINES

| | | |
|-------------------------------|------------|------------|
| Infringements and costs | 537 | 416 |
| PERIN court recoveries | 19 | 112 |
| Town planning fees | 317 | 194 |
| Land Information Certificates | 37 | 30 |
| Animal Infringements | 68 | 53 |
| | 978 | 805 |

NOTE 4 USER FEES

| | | |
|------------------------------------|---------------|---------------|
| Leisure centre fees | 8,827 | 9,416 |
| Child care/children's program fees | 405 | 344 |
| Aged services fees | 269 | 287 |
| Registration fees | 626 | 555 |
| Building services fees | 175 | 201 |
| Subdivision Supervision | 159 | 119 |
| Pound Release Fees | 23 | 16 |
| Adult Education | 464 | 345 |
| Business Development | – | 42 |
| Waste Management | 507 | 586 |
| Edendale Farm | 204 | 201 |
| Environmental Health | 184 | 179 |
| Hall and sports ground hire | 296 | 238 |
| Other fees and charges | 154 | 181 |
| | 12,293 | 12,710 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

2014
\$000

2013
\$000

NOTE 5 GRANTS

Grants were received in respect of the following:

Recurrent

| | | |
|---|--------------|--------------|
| Commonwealth Government – Family and children | 34 | 252 |
| Victoria grants commission – unallocated | 1,133 | 1,954 |
| Victoria grants commission – local roads | 544 | 1,065 |
| Community health | 70 | 103 |
| School crossing supervisors | 141 | 133 |
| Planning and development | 0 | 20 |
| Maternal and child health | 395 | 404 |
| Family and children | 636 | 436 |
| Food services | 40 | 20 |
| Home help/linkages | 1,264 | 1,183 |
| Senior citizen centres | 50 | 49 |
| Adult Education | 489 | 380 |
| Sports and Recreation | 15 | – |
| Environmental Planning | 64 | – |
| Other | 1,357 | 323 |
| Total recurrent | 6,232 | 6,322 |

Non-recurrent

| | | |
|----------------------------|------------|--------------|
| Bridges | – | – |
| Buildings | – | – |
| Emergency Management | 16 | 224 |
| Environmental Planning | – | 295 |
| Recreation | – | – |
| Waste Management | – | 5 |
| Bushfire | 182 | 344 |
| Flood | – | 337 |
| Other | – | 821 |
| Total non-recurrent | 198 | 2,026 |

Capital Grants – Recurrent

| | | |
|---|------------|------------|
| Roads to Recovery | 567 | 546 |
| Total Capital Grants – Recurrent | 567 | 546 |

Capital Grants – Non-recurrent

| | | |
|---|--------------|--------------|
| Capital Grants | 3,175 | 1,709 |
| Total Capital Grants – Non-recurrent | 3,175 | 1,709 |
| Total Capital Grants | 3,742 | 2,255 |

Conditions on Grants

Grants recognised as revenue during the year and were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

| | | |
|--|-------|-----|
| Grants for Community Planning | 89 | 203 |
| Grants for Economic Development and Major Projects | 1,104 | 560 |
| Grants for Environment and Strategic Planning | 186 | 354 |
| Grants for Family and Children's Programs | 138 | 754 |
| Grants for Leisure Services | 45 | 71 |
| Grants for Metro Access | 67 | 64 |
| Grants for Bushfire Initiatives/Emergency Management | 104 | 148 |
| Grants for Youth Services | 9 | 51 |
| Grants for Major Leisure Centres and Community Halls | – | 34 |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | 2014 \$000 | 2013 \$000 |
|---|---------------|---------------|
| NOTE 5 GRANTS | | |
| (cont.) | | |
| Grants for Adult Education Programs | 63 | 38 |
| Grants for Arts Programs | 65 | – |
| Grants for Infrastructure Maintenance | 39 | – |
| Grants for Roads and Drainage | – | 569 |
| Grants for Aged and Disability Services | 431 | 130 |
| Grants for Fire Services Levy | 22 | 37 |
| | 2,340 | 3,013 |
| NOTE 6 CONTRIBUTIONS | | |
| Cash Contributions – Capital | | |
| Developer contributions | 753 | 2,640 |
| Open space (Cash in lieu) | – | 155 |
| Special road scheme contributions | 172 | 335 |
| Capital works contributions | 62 | 210 |
| Other | 230 | 163 |
| | 1,217 | 3,503 |
| Non-Monetary Contributions | | |
| Drainage | – | – |
| Contributed land/infrastructure | 3,207 | 608 |
| Gifted art work | – | – |
| | 3,207 | 608 |
| NOTE 7 REIMBURSEMENTS | | |
| Road maintenance/works | – | – |
| Reinstatement fees | 31 | 34 |
| Rates Reimbursement | 112 | – |
| Insurance reimbursements | 17 | 57 |
| | 160 | 91 |
| NOTE 8 OTHER INCOME | | |
| Interest | 937 | 1,053 |
| Interest on rates | 321 | 234 |
| Other rent | 327 | 318 |
| Sale of valuations | 21 | 164 |
| Workcover Insurance recoveries | 95 | 93 |
| Septic tank fees | 20 | 89 |
| Community and sporting club project contributions | – | 94 |
| Sale of mobile garbage bins | 63 | 65 |
| Planning | 129 | 65 |
| Other | 469 | 287 |
| | 2,382 | 2,462 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

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\$000

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\$000

NOTE 9 EMPLOYEE BENEFITS

| | | |
|----------------------------|-----------------|-----------------|
| Wages and salaries | (22,418) | (20,997) |
| Casual staff | (577) | (575) |
| Bushfire employee expenses | (4) | – |
| Long service leave | (288) | (403) |
| Superannuation | (2,383) | (2,235) |
| Fringe benefits tax | (317) | (269) |
| Redundancy | – | (27) |
| Oncost recoveries | (2,745) | (2,354) |
| | (28,732) | (26,860) |

NOTE 10 MATERIALS AND SERVICES

Contract payments:

| | | |
|----------------------|-----------------|-----------------|
| Leisure | (8,347) | (8,697) |
| External labour hire | (737) | (768) |
| HACC contracts | (1,526) | (1,727) |
| Waste services | (487) | (1,020) |
| Valuation | (304) | (146) |
| Other | (1,607) | (480) |
| | (13,008) | (12,838) |

Materials and services:

| | | |
|--------------------------------------|---------|---------|
| Materials, maintenance and equipment | (8,163) | (9,412) |
| Fleet operations | (1,794) | (1,686) |
| IT and telephone | (1,630) | (1,414) |
| Building maintenance | (226) | (739) |
| Emergency management | (179) | (163) |
| Planning and building services | (28) | (205) |
| Corporate support | (95) | (123) |
| Communications | (299) | (208) |
| Corporate information | (59) | (41) |
| Waste services | (734) | (491) |
| Plant hire | – | – |
| Stationery, printing and postage | (248) | (265) |
| Utilities | (1,160) | (1,075) |
| Bushfire | (1,046) | (1,883) |
| Floods | – | (201) |
| Other | (565) | (637) |

(16,226) **(18,543)**

(29,234) **(31,381)**

NOTE 11 BAD AND DOUBTFUL DEBTS

| | | |
|---|-------------|-------------|
| Parking related debtors – Infringements Court * | (15) | (51) |
| Other | (31) | – |
| | (46) | (51) |

* Bad and doubtful debts for parking related debtors relate to provisions raised regarding amounts in excess of 12 months old which have been referred to Infringements Court for collection plus associated costs.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | 2014 \$000 | 2013 \$000 |
|--|----------------|----------------|
| NOTE 12 DEPRECIATION AND AMORTISATION | | |
| <i>Property</i> | | |
| Land | | |
| Land * | – | 157 |
| Land improvements | (99) | (96) |
| Playgrounds | (185) | (150) |
| Buildings | | |
| Buildings | (2,145) | (2,154) |
| <i>Plant and equipment</i> | | |
| Plant, machinery and vehicles | (974) | (922) |
| Furniture, equipment and computers | (176) | (189) |
| <i>Infrastructure</i> | | |
| Roads | (3,539) | (3,366) |
| Bridges | (143) | (143) |
| Drains | (1,551) | (1,584) |
| Mobile Bins | (93) | (93) |
| Other Infrastructure | (322) | (318) |
| | (9,227) | (8,858) |

* The land amortisation figure for 2013 above reflects a recalculation of the non-current liability for Landfill rehabilitation works to be conducted over the next ten years. The net present value of the long term liability has reduced and the difference of \$157k has been taken to the income statement.

| | | |
|------------------------------|--------------|----------------|
| NOTE 13 FINANCE COSTS | | |
| Interest – Borrowings | (988) | (1,025) |
| Interest – Finance leases | (4) | (8) |
| | (992) | (1,033) |

| | | |
|--------------------------------|----------------|----------------|
| NOTE 14 OTHER EXPENSES | | |
| Auditors' remuneration | (160) | (201) |
| Councillors' allowances | (230) | (205) |
| Operating lease rentals | (929) | (893) |
| Insurance premiums | (1,090) | (1,022) |
| Payment agents and bank fees | (147) | (136) |
| Aged and family services | (355) | (306) |
| Strategic planning | (78) | (128) |
| Economic development | (326) | (442) |
| Council support | (45) | (28) |
| Planning and building | (5) | (4) |
| Waste management | (1,011) | (1,073) |
| Municipal laws | (125) | (113) |
| Environmental works | (179) | (245) |
| Leisure and education services | (56) | (8) |
| Youth services | (12) | (12) |
| Community development | (165) | (117) |
| Information technology | (279) | (479) |
| Arts and Cultural Services | (309) | (349) |
| Other | (493) | (704) |
| | (5,994) | (6,465) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

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\$000

NOTE 15 INVESTMENT IN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD

Yarra Plenty Regional library service

Background

Council's investment in the Yarra Plenty Regional Library Service was increased by \$145,737 (increase of \$17,430 in 2012-2013) due to the increase in the net asset position of the Corporation (audited at 30 June 2014). Council's equity interest based on contributions is 20.90%.

Council's share of accumulated surplus / (deficit)

| | | |
|--|------------|------------|
| Council's share of accumulated surplus at start of year | 314 | 301 |
| Reported surplus for year | 160 | 13 |
| Council's share of accumulated surplus at end of year | 474 | 314 |

Movement in carrying value of specific investment

| | | |
|--|--------------|--------------|
| Carrying value of investment at start of year | 1,069 | 1,052 |
| Share of surplus (deficit) for year * | 146 | 17 |
| Carrying value of investment at end of year | 1,215 | 1,069 |

Council's share of expenditure commitments

| | | |
|-----------------------|-----|-----|
| Operating commitments | 192 | 221 |
|-----------------------|-----|-----|

* Share of accumulated surplus in 2013-2014 has been amended due to a change in draft YPRL Statements for the 2012-2013 year.

NOTE 16 YARRA PLENTY REGIONAL LIBRARY SERVICE

| | | |
|---------------|---------|---------|
| Contributions | (2,285) | (2,313) |
|---------------|---------|---------|

NOTE 17 CASH AND CASH EQUIVALENTS

| | | |
|------------------------------|---------------|---------------|
| Cash on hand | 2 | 6 |
| Cash at bank | 400 | 1,187 |
| Bank bills and term deposits | 15,382 | 16,044 |
| | 15,784 | 17,237 |
| Investment | 4,600 | 4,300 |

NOTE 18 TRADE AND OTHER RECEIVABLES

Current

| | | |
|--|--------------|--------------|
| Rates debtors | 5,241 | 4,194 |
| Parking infringement debtors | 512 | 459 |
| Provision for doubtful debts – parking infringements | (263) | (248) |
| Other debtors | 1,307 | 816 |
| Provision for doubtful debts – other debtors | (73) | (72) |
| Miscellaneous Debtors | 79 | 67 |
| Special charge scheme debtors | 568 | 546 |
| Net GST receivable | 582 | 109 |
| Fire Services Levy Debtors | 289 | – |
| | 8,242 | 5,871 |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | 2014 \$000 | 2013 \$000 |
|---|----------------|----------------|
| NOTE 18 TRADE AND OTHER RECEIVABLES | | |
| (cont.) | | |
| <i>Non-Current</i> | | |
| Special charge scheme debtors | 1,393 | 1,743 |
| | 1,393 | 1,743 |
| | 9,635 | 7,614 |
| NOTE 19 INVENTORIES | | |
| Fuel | 25 | 20 |
| | 25 | 20 |
| NOTE 20 OTHER ASSETS | | |
| <i>Current</i> | | |
| Prepayments | 346 | 266 |
| Accrued Income | 361 | 1,090 |
| | 707 | 1,356 |
| NOTE 21 PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE | | |
| <i>Summary</i> | | |
| at cost | 39,022 | 49,148 |
| Less: accumulated depreciation/amortisation | (17,747) | (16,575) |
| | 21,275 | 32,573 |
| at Council valuation at 30 June 2014 | 791,653 | 765,047 |
| at Council valuation at 30 June 2010 | 1,805 | 1,688 |
| Less: accumulated depreciation | (167,326) | (159,424) |
| | 626,132 | 607,311 |
| Total | 647,407 | 639,884 |
| PROPERTY | | |
| Land | | |
| at cost | – | 251 |
| at Council valuation as at 30 June 2014 | 245,584 | 242,219 |
| at anticipated restoration cost (Plenty/Kangaroo Ground Landfill Closure) | 11,401 | 11,401 |
| Less: accumulated amortisation | (11,401) | (11,401) |
| Land under Roads | 320 | 278 |
| Controlled Land | 9,425 | 7,988 |
| | 255,329 | 250,736 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

2014
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\$000

NOTE 21 PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (cont.)

| | | |
|-----------------------------------|--------------|------------|
| Playgrounds | | |
| at cost | – | 54 |
| at Council valuation 30 June 2014 | 3,714 | 2,655 |
| Less: accumulated depreciation | (2,409) | (2,182) |
| | 1,305 | 527 |

| | | |
|--------------------------------|--------------|--------------|
| Land Improvements | | |
| at cost | 5,788 | 4,893 |
| Less: accumulated depreciation | (968) | (868) |
| | 4,820 | 4,025 |

| | | |
|-------------------|----------------|----------------|
| Total land | 261,454 | 255,288 |
|-------------------|----------------|----------------|

| | | |
|---|----------|----------|
| Buildings | | |
| at cost | – | 260 |
| at Council valuation as at 30 June 2014 | 125,472 | 115,202 |
| Less: accumulated depreciation | (51,667) | (47,429) |

| | | |
|------------------------|---------------|---------------|
| Total Buildings | 73,805 | 68,033 |
|------------------------|---------------|---------------|

| | | |
|-----------------------|----------------|----------------|
| Total Property | 335,259 | 323,321 |
|-----------------------|----------------|----------------|

Valuation of land and buildings were undertaken at 30 June 2014 by an independent qualified valuer, Briony Stephen of Matheson Stephen Valuations. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued at a discount of 10 to 30 percent to market value based on zoning and legal precedents.

PLANT AND EQUIPMENT

Plant, machinery and vehicles

| | | |
|--------------------------------|---------|---------|
| at cost | 9,721 | 9,383 |
| Less: accumulated depreciation | (6,120) | (5,697) |

| | | |
|--------------|--------------|--------------|
| Total | 3,601 | 3,686 |
|--------------|--------------|--------------|

| | | |
|--------------------------------|-------|------|
| Leased Volvo Loader at cost | 132 | 132 |
| Less: accumulated amortisation | (113) | (96) |

| | | |
|--|-----------|-----------|
| | 19 | 36 |
|--|-----------|-----------|

| | | |
|--------------------------------|-------|-------|
| Leased Hino Sweeper at cost | 279 | 279 |
| Less: accumulated amortisation | (279) | (239) |

| | | |
|--|----------|-----------|
| | – | 40 |
|--|----------|-----------|

Furniture, equipment and computers

| | | |
|--------------------------------|---------|---------|
| at cost | 4,675 | 4,649 |
| Less: accumulated depreciation | (3,892) | (3,715) |

| | | |
|--------------|------------|------------|
| Total | 783 | 934 |
|--------------|------------|------------|

Artwork

| | | |
|------------------------------------|-------|-------|
| Artworks at cost | – | 117 |
| Artworks at valuation 30 June 2010 | 1,805 | 1,688 |

| | | |
|--|--------------|--------------|
| | 1,805 | 1,805 |
|--|--------------|--------------|

| | | |
|----------------------------------|--------------|--------------|
| Total plant and equipment | 6,208 | 6,501 |
|----------------------------------|--------------|--------------|

Valuation of artwork was undertaken by an independent qualified valuer, Leonard Joel Pty Ltd, as at 30 June 2010.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | 2014 \$000 | 2013 \$000 |
|--|----------------|----------------|
| NOTE 21 | | |
| PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE | | |
| (cont.) | | |
| INFRASTRUCTURE | | |
| Roads | | |
| at cost | – | 1,474 |
| at Council valuation as at 30 June 2014 | 220,705 | 201,052 |
| Less: accumulated depreciation | (42,426) | (37,534) |
| Total | 178,279 | 164,992 |
| Kerb and Channel | | |
| at cost | – | 222 |
| at Council valuation as at 30 June 2014 | 21,454 | 21,123 |
| Less: accumulated depreciation | (12,425) | (11,922) |
| Total | 9,029 | 9,423 |
| Footpaths/Bike paths | | |
| at cost | – | 469 |
| at Council valuation as at 30 June 2014 | 25,131 | 23,977 |
| Less: accumulated depreciation | (13,646) | (12,737) |
| Total | 11,485 | 11,709 |
| Traffic Treatments | | |
| at Council valuation as at 30 June 2014 | 1,307 | 1,307 |
| Less: accumulated depreciation | (376) | (376) |
| Total | 931 | 931 |
| Drains | | |
| at cost | – | 541 |
| at Council valuation as at 30 June 2014 | 124,809 | 143,230 |
| Less: accumulated depreciation | (39,794) | (42,854) |
| Total | 85,015 | 100,917 |
| Bridges | | |
| at Council valuation as at 30 June 2014 | 14,052 | 13,670 |
| Less: accumulated depreciation | (4,583) | (4,390) |
| Total | 9,469 | 9,280 |
| Leased mobile bins at cost | 1,287 | 1,287 |
| Less: accumulated amortisation | (930) | (837) |
| | 357 | 450 |
| Other infrastructure assets at cost | 9,091 | 8,830 |
| Less: accumulated depreciation | (5,445) | (5,123) |
| | 3,646 | 3,707 |
| Total Infrastructure | 298,211 | 301,409 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

2014
\$000

2013
\$000

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NOTE 21 PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

(cont.)

WORKS IN PROGRESS

| | | |
|------------------------------|-------|-------|
| Buildings at cost | 2,197 | 2,219 |
| Land at cost | 263 | 429 |
| Playgrounds at cost | 39 | 88 |
| Land improvements at cost | 1,693 | 3,463 |
| Roads at cost | 2,702 | 1,666 |
| Drains at Cost | 835 | 729 |
| Other Infrastructure at cost | – | 59 |

| | | |
|--------------------------------|--------------|--------------|
| Total Works in progress | 7,729 | 8,653 |
|--------------------------------|--------------|--------------|

| | | |
|--|----------------|----------------|
| Total property, plant and equipment, infrastructure | 647,407 | 639,884 |
|--|----------------|----------------|

Bridges are valued on the basis of replacement cost. Council's General Manager Infrastructure Services, Conal Creedon, Bachelor of Engineering (Civil), Graduate Diploma in Municipal Engineering, and MBA (Technology Management), performed the valuation for 30 June 2014 on the basis of current replacement cost adjusting for age and remaining life of asset.

Roads and Earthworks are valued on the basis of replacement cost. Council's General Manager Infrastructure Services, Conal Creedon, Bachelor of Engineering (Civil), Graduate Diploma in Municipal Engineering, and MBA (Technology Management), performed the valuation for 30 June 2014 on the basis of current replacement cost adjusting for age and remaining life of asset.

Council's General Manager Infrastructure Services, Conal Creedon, Bachelor of Engineering (Civil), Graduate Diploma in Municipal Engineering and MBA (Technology Management), performed the drainage valuation for 30 June 2014 on the basis of current replacement cost adjusted for age and the remaining life of asset.

* Nillumbik Shire Council has an error that, as outlined in note 1(v), has caused a restatement of opening balances for 2013-2014 to land, buildings, roads/earthworks, kerb and channel, footpaths/bike paths, and drains.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

NOTE 21 PROPERTY, PLANT AND EQUIPMENT
(cont.)

| | Balance at beginning of financial year \$'000 | Acquisition/Improvement of assets \$'000 | Revaluation increments (decrements) (Note 26) \$'000 | Land Held for Sale Transfer | Depreciation and amortisation (Note 12) \$'000 | WDV of disposals \$'000 | Gifted \$'000 | Transfers \$'000 | Balance at end of financial year \$'000 |
|--|---|--|--|-----------------------------|--|-------------------------|---------------|------------------|---|
| 2014 | | | | | | | | | |
| Property | | | | | | | | | |
| Land | 250,736 | – | 2,541 | – | – | (490) | 2,542 | – | 255,329 |
| Playgrounds | 527 | 317 | (157) | – | (185) | – | – | 803 | 1,305 |
| Land improvements | 4,025 | 184 | – | – | (99) | – | – | 710 | 4,820 |
| Total land | 255,288 | 501 | 2,384 | – | (284) | (490) | 2,542 | 1,513 | 261,454 |
| Buildings | 68,033 | 5,064 | 1,054 | – | (2,145) | (104) | – | 1,903 | 73,805 |
| Total buildings | 68,033 | 5,064 | 1,054 | – | (2,145) | (104) | – | 1,903 | 73,805 |
| Total property | 323,321 | 5,565 | 3,438 | – | (2,429) | (594) | 2,542 | 3,416 | 335,259 |
| Plant and equipment | | | | | | | | | |
| Plant, machinery and vehicles | 3,762 | 1,298 | – | – | (974) | (466) | – | – | 3,620 |
| Furniture, equipment and computers | 934 | 25 | – | – | (176) | – | – | – | 783 |
| Artwork | 1,805 | – | – | – | – | – | – | – | 1,805 |
| Total plant and equipment | 6,501 | 1,323 | – | – | (1,150) | (466) | – | – | 6,208 |
| Infrastructure | | | | | | | | | |
| Roads/Earthworks | 164,992 | 2,379 | 12,702 | – | (2,453) | (425) | 79 | 1,005 | 178,279 |
| Kerb and Channel | 9,423 | – | (107) | – | (403) | (9) | 29 | 96 | 9,029 |
| Footpaths/Bike paths | 11,709 | 100 | 232 | – | (683) | (2) | 33 | 96 | 11,485 |
| Traffic Treatments | 931 | – | – | – | – | – | – | – | 931 |
| Drains | 100,917 | 211 | (15,815) | – | (1,551) | – | 524 | 729 | 85,015 |
| Bridges | 9,280 | 269 | 63 | – | (143) | – | – | – | 9,469 |
| Leased infrastructure | 450 | – | – | – | (93) | – | – | – | 357 |
| Other infrastructure | 3,707 | 202 | – | – | (322) | – | – | 59 | 3,646 |
| Total Infrastructure | 301,409 | 3,161 | (2,925) | – | (5,648) | (436) | 665 | 1,985 | 298,211 |
| Works in progress | | | | | | | | | |
| Buildings | 2,219 | 1,380 | – | – | – | – | – | (1,402) | 2,197 |
| Land | 429 | 263 | – | – | – | – | – | (429) | 263 |
| Land Improvements | 3,463 | 663 | – | – | – | – | – | (2,433) | 1,693 |
| Playgrounds | 88 | 39 | – | – | – | – | – | (88) | 39 |
| Roads | 1,666 | 1,469 | – | – | – | – | – | (433) | 2,702 |
| Drainage | 729 | 758 | – | – | – | – | – | (652) | 835 |
| Other Infrastructure | 59 | – | – | – | – | – | – | (59) | – |
| Total Works in progress | 8,653 | 4,572 | – | – | – | – | – | (5,496) | 7,729 |
| Total property, plant and equipment, infrastructure | 639,884 | 14,621 | 513 | – | (9,227) | (1,496) | 3,207 | (95) | 647,407 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 21 PROPERTY, PLANT AND EQUIPMENT (cont.)

| | Balance at beginning of financial year \$'000 | Acquisition/Improvement of assets \$'000 | Revaluation increments (decrements) (Note 26) \$'000 | Land Held for Sale Transfer | Depreciation and amortisation (Note 12) \$'000 | WDV of disposals \$'000 | Gifted \$'000 | Transfers \$'000 | Balance at end of financial year \$'000 |
|--|--|---|---|-----------------------------|---|----------------------------|------------------|---------------------|--|
| 2013 | | | | | | | | | |
| Property | | | | | | | | | |
| Land | 250,485 | 75 | - | - | 157 | (157) | - | 176 | 250,736 |
| Playgrounds | 623 | - | - | - | (150) | - | - | 54 | 527 |
| Land improvements | 4,121 | - | - | - | (96) | - | - | - | 4,025 |
| Total land | 254,845 | 75 | - | - | (89) | (157) | - | 230 | 255,288 |
| Buildings | 69,925 | 197 | - | - | (2,154) | - | - | 65 | 68,033 |
| Total buildings | 68,422 | 197 | - | - | (2,154) | - | - | 65 | 68,033 |
| Total property | 323,267 | 272 | - | - | (2,243) | (157) | - | 295 | 323,321 |
| Plant and equipment | | | | | | | | | |
| Plant, machinery and vehicles | 3,370 | 1,582 | - | - | (92) | (268) | - | - | 3,762 |
| Furniture, equipment and computers | 1,123 | - | - | - | (189) | - | - | - | 934 |
| Artwork | 1,696 | 109 | - | - | - | - | - | - | 1,805 |
| Total plant and equipment | 6,189 | 1,691 | - | - | (1,111) | (268) | - | - | 6,501 |
| Infrastructure | | | | | | | | | |
| Roads/Earthworks | 166,192 | 13 | - | - | (2,345) | (554) | 223 | 1,463 | 164,992 |
| Kerb and Channel | 9,557 | 16 | - | - | (425) | (1) | 70 | 206 | 9,423 |
| Footpaths/Bike paths | 11,804 | 34 | - | - | (596) | (39) | 71 | 435 | 11,709 |
| Traffic Treatments | 931 | - | - | - | - | - | - | - | 931 |
| Drains | 101,452 | 264 | - | - | (1,584) | - | 244 | 541 | 100,917 |
| Bridges | 9,567 | - | - | - | (143) | (144) | - | - | 9,280 |
| Leased infrastructure | 543 | - | - | - | (93) | - | - | - | 450 |
| Other infrastructure | 4,025 | - | - | - | (318) | - | - | - | 3,707 |
| Total Infrastructure | 298,582 | 327 | - | - | (5,504) | (738) | 608 | 2,645 | 301,409 |
| Works in progress | | | | | | | | | |
| Buildings | 1,423 | 859 | - | - | - | - | - | (63) | 2,219 |
| Land | 205 | 399 | - | - | - | - | - | (175) | 429 |
| Land Improvements | 2,723 | 740 | - | - | - | - | - | - | 3,463 |
| Playgrounds | 54 | 88 | - | - | - | - | - | (54) | 88 |
| Roads | 2,939 | 1,389 | - | - | - | - | - | (2,662) | 1,666 |
| Drainage | - | 729 | - | - | - | - | - | - | 729 |
| Other Infrastructure | 0 | 59 | - | - | - | - | - | - | 59 |
| Total Works in progress | 7,344 | 4,263 | - | - | - | - | - | (2,954) | 8,653 |
| Total property, plant and equipment, infrastructure | 635,382 | 6,553 | - | - | (8,858) | (1,163) | 608 | (14) | 639,884 |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | | 2014 \$000 | 2013 \$000 | | |
|----------------|---|------------------------------------|--|--|-------------------------|
| NOTE 22 | TRADE AND OTHER PAYABLES | | | | |
| | Trade payables | 1,483 | 889 | | |
| | Accrued expenses | 2,626 | 2,589 | | |
| | | 4,109 | 3,478 | | |
| NOTE 23 | TRUST FUNDS AND DEPOSITS | | | | |
| | Refundable building deposits | 77 | 77 | | |
| | Refundable civic facilities deposits | 4 | 4 | | |
| | Retention amounts | 285 | 171 | | |
| | Other refundable deposits | 800 | 796 | | |
| | | 1,166 | 1,048 | | |
| NOTE 24 | PROVISIONS | | | | |
| | | Annual leave \$'000 | Long Service leave \$'000 | Landfill Restoration \$'000 | Total \$'000 |
| | 2014 | | | | |
| | Balance at beginning of the financial year | 1,998 | 4,230 | 9,041 | 15,269 |
| | Additional provisions | 2,283 | 659 | – | 2,942 |
| | Amounts used | (2,214) | (288) | (342) | (2,844) |
| | Balance at the end of the financial year | 2,067 | 4,601 | 8,699 | 15,367 |
| | 2013 | | | | |
| | Balance at beginning of the financial year | 1,910 | 3,891 | 9,412 | 15,213 |
| | Additional provisions | 2,181 | 742 | (157) | 2,766 |
| | Amounts used | (2,093) | (403) | (214) | (2,710) |
| | Balance at the end of the financial year | 1,998 | 4,230 | 9,041 | 15,269 |
| | | | | 2014 \$'000 | 2013 \$'000 |
| | (a) Employee benefits | | | | |
| | <i>Current Provisions expected to be settled within 12 months (i)</i> | | | | |
| | Annual leave | | | 700 | 1,998 |
| | Long service leave | | | 398 | 3,727 |
| | | | | 1,098 | 5,725 |
| | <i>Current Provisions expected to be settled after 12 months (i)</i> | | | | |
| | Annual leave | | | 1,367 | – |
| | Long service leave | | | 3,710 | – |
| | | | | 5,077 | – |
| | <i>Non-Current (ii)</i> | | | | |
| | Long service leave | | | 493 | 503 |
| | | | | 493 | 503 |
| | Aggregate carrying amount of employee provisions | | | | |
| | Current | | | 6,175 | 5,725 |
| | Non-current | | | 493 | 503 |
| | | | | 6,668 | 6,228 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

2014
\$000

2013
\$000

NOTE 24 PROVISIONS

(cont.)

All annual leave and unconditional vested LSL representing seven years of continuous service is:

(a) disclosed in accordance with AASB 101, as a current liability where the agency expects to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;

(b) measured at;

- nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and
- present value under AASB 119 where Council does not expect to settle a component of this current liability within 12 months or not expected to be settled within 12 months.

LSL representing less than seven years of continuous service is:

(a) disclosed in accordance with AASB 101 as a non-current liability; and

(b) measured at present value under AASB 119 where Council does not expect to settle this non-current liability within 12 months.

In 2012-2013 the current portion of LSL represented any continuous service over seven years irrespective of whether it was expected to be taken.

The following assumptions were adopted in measuring the present value of employee benefits:

| | 2014 | 2013 |
|---|-------|-------|
| Weighted average increase in employee costs | 3.00% | 4.00% |
| Weighted average discount rates | 3.13% | 3.27% |

A weighted average discount rate of 3.13% was assumed in measuring the present value of long service leave entitlements.

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
|--|----------------|----------------|

(i) Current

All annual leave and the long service leave entitlements representing seven or more years of continuous service

| | | |
|---|--------------|--------------|
| - Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value | 2,067 | 1,998 |
| - Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value | 4,108 | 3,727 |
| | 6,175 | 5,725 |

(ii) Non-Current

Long service leave representing less than seven years of continuous service measured at present value

493 503

(b) Provisions

Landfill restoration

Current

500 500

Non-current

8,199 8,541

8,699 9,041

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

2014
\$000

2013
\$000

NOTE 25 INTEREST-BEARING LIABILITIES AND BORROWINGS

Current

| | | |
|-----------------|--------------|--------------|
| Loans – secured | 1,521 | 2,450 |
| | 1,521 | 2,450 |

Non-Current

| | | |
|-----------------|---------------|---------------|
| Loans – secured | 13,620 | 12,750 |
| Total | 15,141 | 15,200 |

The maturity profile for Council's borrowings is:

| | | |
|---|---------------|---------------|
| Not later than one year | 1,521 | 2,450 |
| Later than one year and not later than five years | 5,390 | 3,152 |
| Later than five years | 8,230 | 9,598 |
| | 15,141 | 15,200 |

Finance Leases

Council had the following obligations under finance leases for the lease of mobile garbage bins, Volvo Loader and Hino Sweeper (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):

| | | |
|---|-----------|-----------|
| Not later than one year | 24 | 67 |
| Later than one year and not later than five years | – | 24 |
| | 24 | 91 |

| | | |
|------------------------------|-----|-----|
| Minimum lease payments | 25 | 96 |
| Less: Future finance charges | (1) | (5) |

| | | |
|--|-----------|-----------|
| Recognised in the statement of financial position as: | 24 | 91 |
|--|-----------|-----------|

Current

| | | |
|--------|----|----|
| Leases | 24 | 67 |
|--------|----|----|

Non-Current

| | | |
|--------|---|----|
| Leases | – | 24 |
|--------|---|----|

| | | |
|--------------|-----------|-----------|
| Total | 24 | 91 |
|--------------|-----------|-----------|

Aggregate carrying amount of interest-bearing liabilities and borrowings:

| | | |
|-------------|---------------|---------------|
| Current | 1,545 | 2,517 |
| Non-current | 13,620 | 12,774 |
| | 15,165 | 15,291 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

| NOTE 26 RESERVES | | Balance at beginning of reporting period | Increment (decrement) | Balance at end of reporting period |
|----------------------------|---|---|--------------------------|---------------------------------------|
| (a) | Asset revaluation reserve | \$000 | \$000 | \$000 |
| 2014 | | | | |
| Property | | | | |
| | Land/Land Improvements/Playgrounds | 145,380 | 2,384 | 147,764 |
| | Buildings | 11,419 | 1,054 | 12,473 |
| | | 156,799 | 3,438 | 160,237 |
| Plant and equipment | | | | |
| | Plant, machinery and vehicles | 535 | – | 535 |
| | Furniture, equipment and computers | 689 | – | 689 |
| | Artwork | 801 | – | 801 |
| | | 2,025 | – | 2,025 |
| Infrastructure | | | | |
| | Roads/earthworks | 45,241 | 12,827 | 58,068 |
| | Bridges | 3,516 | 63 | 3,579 |
| | Drainage | 61,049 | (15,815) | 45,234 |
| | Other infrastructure | 401 | – | 401 |
| | | 110,207 | (2,925) | 107,282 |
| | Total Asset Revaluation reserves | 269,032 | 513 | 269,545 |
| 2013 | | | | |
| Property | | | | |
| | Land/Land Improvements | 145,380 | – | 145,380 |
| | Buildings | 11,419 | – | 11,419 |
| | | 156,799 | – | 156,799 |
| Plant and equipment | | | | |
| | Plant, machinery and vehicles | 535 | – | 535 |
| | Furniture, equipment and computers | 689 | – | 689 |
| | Artwork | 801 | – | 801 |
| | | 2,025 | – | 2,025 |
| Infrastructure | | | | |
| | Roads/earthworks | 45,241 | – | 45,241 |
| | Bridges | 3,516 | – | 3,516 |
| | Drainage | 61,049 | – | 61,049 |
| | Other infrastructure | 401 | – | 401 |
| | | 110,207 | – | 110,207 |
| | Total Asset Revaluation reserves | 269,032 | – | 269,032 |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| NOTE 26 (cont.) | RESERVES | Balance at beginning of reporting period \$000 | Net Transfer (To)/From Accum. Surplus \$000 | Balance at end of reporting period \$000 |
|--------------------|---|--|---|--|
| (b) | Other reserves | | | |
| | 2014 | | | |
| * | Statutory Cash Backed Reserved | | | |
| | Reserve – Car Parks | 97 | – | 97 |
| | Reserve – Open Space | 567 | (154) | 413 |
| | Reserve – Yarrambat Drainage Scheme | 377 | 11 | 388 |
| | Reserve – Yarrambat Drainage Extension Area | 140 | 4 | 144 |
| | Reserve – Street Light Contributions | 28 | – | 28 |
| | Reserve – Street Trees | 76 | – | 76 |
| | Total Cash Backed Statutory Reserves | 1,285 | (139) | 1,146 |
| ** | Discretionary Reserves | | | |
| | Reserve – Public Art Program | 129 | 26 | 155 |
| | Reserve – C/Forward Projects | 9,232 | (3,145) | 6,087 |
| | Reserve – Information Technology | 141 | 91 | 232 |
| | Reserve – Leisure Centre Profit Share | 207 | (107) | 100 |
| | Reserve – Plant Replacement | 1,150 | 190 | 1,340 |
| | Reserve – Property Management | 1,123 | (463) | 660 |
| | Reserve – Bridgeford Estate | 55 | 223 | 278 |
| | Reserve – Plenty Tip Restoration | 3,478 | 733 | 4,211 |
| | Reserve – DPO 1 Infrastructure | 266 | 39 | 305 |
| | Reserve – DCP 01 Open Space | 144 | 88 | 232 |
| | Reserve – DPO 04 Infrastructure | 1,760 | (645) | 1,115 |
| | Reserve – DCP 04 Open Space | 1,310 | 372 | 1,682 |
| | Reserve – DPO 02 Infrastructure | 220 | 58 | 278 |
| | Reserve – DCP 02 Open Space | 287 | 8 | 295 |
| | Reserve – Development Contribution Construction | 168 | 4 | 172 |
| | Reserve – Native Vegetation | 93 | (93) | – |
| | Reserve – Grants Program Management | – | – | – |
| | Reserve – Bushfire Grants | 30 | – | 30 |
| | Reserve – Unallocated | 64 | 43 | 107 |
| | Reserve – L2P | 5 | (5) | – |
| | Reserve – BF Youth Services | 20 | – | 20 |
| | Total Discretionary Reserves | 19,882 | (2,583) | 17,299 |
| | Total Other Reserves | 21,167 | (2,722) | 18,445 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

| NOTE 26 (cont.) | RESERVES | Balance at beginning of reporting period \$000 | Net Transfer (To)/From Accum. Surplus \$000 | Balance at end of reporting period \$000 |
|--------------------|---|--|---|--|
| (b) | Other reserves | | | |
| | 2013 | | | |
| * | Statutory Cash Backed Reserved | | | |
| | Reserve – Car Parks | – | 97 | 97 |
| | Reserve – Open Space | 578 | (11) | 567 |
| | Reserve – Yarrambat Drainage Scheme | 664 | (287) | 377 |
| | Reserve – Yarrambat Drainage Extension Area | 136 | 4 | 140 |
| | Reserve – Street Light Contributions | 28 | – | 28 |
| | Reserve – Street Trees | 76 | – | 76 |
| | Total Cash Backed Statutory Reserves | 1,482 | (197) | 1,285 |
| ** | Discretionary Reserves | | | |
| | Reserve – Public Art Program | 219 | (90) | 129 |
| | Reserve – C/Forward Projects | 8,288 | 944 | 9,232 |
| | Reserve – Information Technology | 367 | (226) | 141 |
| | Reserve – Leisure Centre Profit Share | 222 | (15) | 207 |
| | Reserve – Plant Replacement | 1,318 | (168) | 1,150 |
| | Reserve – Property Management | 245 | 878 | 1,123 |
| | Reserve – Bridgeford Estate | 60 | (5) | 55 |
| | Reserve – Plenty Tip Restoration | 2,776 | 702 | 3,478 |
| | Reserve – DPO 1 Infrastructure | 259 | 7 | 266 |
| | Reserve – DCP 01 Open Space | 140 | 4 | 144 |
| | Reserve – DPO 04 Infrastructure | 969 | 791 | 1,760 |
| | Reserve – DCP 04 Open Space | 391 | 919 | 1,310 |
| | Reserve – DPO 02 Infrastructure | 843 | (623) | 220 |
| | Reserve – DCP 02 Open Space | 278 | 9 | 287 |
| | Reserve – Development Contribution Construction | 161 | 7 | 168 |
| | Reserve – Native Vegetation | 61 | 32 | 93 |
| | Reserve – Grants Program Management | 43 | (43) | – |
| | Reserve – Bushfire Grants | 30 | – | 30 |
| | Reserve – Unallocated | 33 | 31 | 64 |
| | Reserve – L&L Training Facility Development | 32 | (32) | – |
| | Reserve – L2P | 5 | – | 5 |
| | Reserve – BF Youth Services | 20 | – | 20 |
| | Total Discretionary Reserves | 16,760 | 3,122 | 19,882 |
| | Total Other Reserves | 18,242 | 2,925 | 21,167 |

* Statutory reserves are those for which Council is required to separately account for by statute. Funds are held for specific purposes as described in the reserve account name.

** Discretionary Reserves are those for which Council does have discretion over the manner in which funds are expended. Funds held in these reserve accounts are held for the purposes describe in the reserve account name.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | 2014 \$000 | 2013 \$000 |
|---|---------------|---------------|
| NOTE 27 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS OR DEFICIT | | |
| Surplus (deficit) for the year | 6,659 | 1,472 |
| Gifted infrastructure/artwork | (3,207) | (608) |
| Depreciation/amortisation | 9,227 | 8,858 |
| (Profit)/loss on disposal of property, plant and equipment, infrastructure | 142 | 403 |
| Landfill accumulated amortisation | – | – |
| Adjustment to equity interest Yarra Plenty Regional Library | (146) | (17) |
| Finance Costs | 993 | 1,033 |
| Change in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (2,021) | (868) |
| (Increase)/decrease in other assets | 649 | 1,179 |
| Increase/(decrease) in trade and other payables | 631 | (6,033) |
| (Decrease)/increase in trust funds | 118 | (37) |
| (Increase)/decrease in inventories | (5) | 6 |
| (Decrease)/increase in provisions | 98 | 56 |
| Net cash provided by/(used in) operating activities | 13,137 | 5,443 |
| NOTE 28 RECONCILIATION OF CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents (see Note 17) | 15,784 | 17,237 |
| Bank Overdraft | – | – |
| Net cash at end of the Financial Year | 15,784 | 17,237 |
| NOTE 29 NON CASH FINANCING AND INVESTING ACTIVITIES | | |
| Bank overdraft and drawdown available | 1,145 | 1,145 |
| Unused facilities | 1,145 | 1,145 |
| NOTE 30 RESTRICTED ASSETS | | |
| Council has cash and cash equivalents (Note 17) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Recreational Lands Reserves). Due to the change in Long Service Leave Regulations Council is no longer required to set aside funds for Long Service Leave liabilities, however Council has chosen to continue setting aside funds for Long Service Leave in a separately held long term deposit. | | |
| Long service leave (note 24a) | 4,600 | 4,350 |
| Reserve funds – Statutory (note 26) | 1,146 | 1,285 |
| * Reserve funds – Discretionary (note 26) | 17,299 | 19,882 |
| Trust Deposits (note 23) | 1,166 | 1,048 |
| | 24,211 | 26,565 |
| * Discretionary reserves reflect grant funding received in advance and other reserves that Council have put aside to fund future capital and operating activities. | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 31 SUPERANNUATION

Nillumbik Shire 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 Nillumbik Shire Council and the Nillumbik Shire Council's legal or constructive obligation is limited to these contributions.

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

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 2014, this was 9.25% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. 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 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12% will be delayed until 2022.

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, Nillumbik Shire Council does not use defined benefit accounting for these defined benefit obligations.

Nillumbik Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Nillumbik Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Nillumbik Shire 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 Vested Benefits Index multiplied by the benefit).

Nillumbik Shire Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to 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.

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Nillumbik Shire Council is a contributing employer. Nillumbik Shire Council was made aware of the expected shortfall during the 2011-2012 year and was informed of its share of the shortfall on 2 August 2012. Nillumbik Shire Council has not been advised of any further adjustments.

Nillumbik Shire Council's share of the shortfall amounted to \$4,458,807 (excluding contributions tax) and \$328,679 for Council's share of the Yarra Plenty Regional Library corporations unfunded liability, which was accounted for in the 2011-2012 Comprehensive Operating Statement within Employee Benefits and contributions and in the Balance Sheet in Current Liabilities Provisions.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

NOTE 31 **SUPERANNUATION**
(cont.)

Nillumbik Shire Council received an early payment discount of \$131,427 for Council and \$9,689 for the Yarra Plenty Regional Library corporation and this was accounted for in the 2012-2013 Comprehensive Operating Statement within Employee Benefits (see Note 9) and contributions (see Note 16) and in the Balance Sheet in Current Liabilities Provisions (see Note 24).

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:

| | |
|--|-------------------|
| | 31/12/2011 |
| | \$'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 |

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

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

| Fund | 2014 | 2013 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Defined benefit plans | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 238 | 244 |
| | 238 | 244 |
| Accumulation Funds | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 1,438 | 1,389 |
| Employer contributions to other funds | 707 | 602 |
| | 2,145 | 1,991 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 32 COMMITMENTS

The Council has entered into the following commitments:

| | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 year and not later than 5 years | Later than 5 years | Total |
|------------------------------|-----------------------|--|--|--------------------|--------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2014 | | | | | |
| Operating | | | | | |
| Sports and leisure | 129 | 1,260 | 660 | – | 2,049 |
| Garbage service | 28 | – | – | – | 28 |
| Strategic Community Programs | 1,437 | – | – | – | 1,437 |
| Infrastructure | 2,267 | – | – | – | 2,267 |
| Total | 3,861 | 1,260 | 660 | – | 5,781 |

| | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 year and not later than 5 years | Later than 5 years | Total |
|------------------------------|-----------------------|--|--|--------------------|--------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2013 | | | | | |
| Operating | | | | | |
| Sports and leisure | 1,980 | 321 | – | – | 2,301 |
| Garbage service | 77 | 28 | – | – | 105 |
| Strategic Community Programs | 1,491 | 1,581 | – | – | 3,071 |
| Infrastructure | 233 | – | – | – | 233 |
| Total | 3,781 | 1,929 | – | – | 5,710 |

NOTE 33 OPERATING LEASES

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

| | 2014 | 2013 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Not later than one year | 1,228 | 1,020 |
| Later than one year and not later than five years | 3,539 | 2,924 |
| Later than five years | 801 | 452 |
| | 5,568 | 4,396 |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

2014 **2013**
\$000 **\$000**

NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Guarantees for loans to other entities

| | | |
|---|------------|------------|
| Hurstbridge Pony Club | 46 | 46 |
| Plenty Tennis Club | 26 | 26 |
| Diamond Creek Netball Club | 18 | 18 |
| Diamond Creek Bowling Club | 170 | 170 |
| Yarrambat Junior Football Club | 35 | 35 |
| Diamond Creek Tennis Club | 15 | 15 |
| Plenty Tennis Club | 80 | 80 |
| Hurstbridge Bowling and Recreation Club | 13 | 101 |
| Eltham Recreation Bowling Club | 60 | 60 |
| Kangaroo Ground Tennis Club | 50 | 50 |
| Greensborough Hockey Club | 350 | 350 |
| | 863 | 951 |

Superannuation

Council has possible future obligations in respect of the defined benefits category of the Local Authorities Superannuation Fund. Refer Note 31.

Public Liability

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$400 million of public liability insurance and has an excess of \$20,000 on this policy in 2014 (\$10,000 in 2013). Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

Professional Indem

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council receives claims and demands for damages allegedly arising from actions of Council or its officers. Council carries \$300 million of professional indemnity insurance and has an excess of \$20,000 on this policy in 2014 (\$10,000 in 2013). Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no instances or claims of which Council is aware which would fall outside the terms of Council's policy.

Legal Matters

The Council is not presently involved in any significant legal matters. No allowance has been made in the financial report for contingencies of a legal nature.

Contingent Assets

From time to time Council receives gifted infrastructure assets from property developers. The nature and timing of these assets is conditional upon subdivisional requirements being completed. Once received by Council ongoing maintenance costs become the responsibility of the Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 35 FINANCIAL INSTRUMENTS

(a) Accounting policy, terms and conditions

| FINANCIAL INSTRUMENTS | NOTE | ACCOUNTING POLICY | TERMS AND CONDITIONS |
|---------------------------------------|------|--|--|
| Financial assets | | | |
| Cash and cash equivalents | 17 | Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Revenues are recognised as they accrue. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. | On call deposits returned a floating interest rate of 2.40% to 2.85% in 2013-2014. The interest rate at balance date was 2.60% (2.80% in 2012-2013). Funds returned fixed interest rate of between 3.05% to 4.45% in 2013-2014 (3% to 5.14% in 2012-2013) net of fees. |
| Trade and other receivables | 18 | Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer considered probable. Collectability of overdue accounts is assessed on an ongoing basis. | General debtors are unsecured and arrears do not attract interest. Credit terms are based on 30 days. |
| Financial liabilities | | | |
| Trade and other payables | 22 | 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 receipt. |
| Interest-bearing loans and borrowings | 25 | 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. Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rate implicit in the leases. | Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average on borrowings is 6.63% during 2013-2014 (6.93% in 2012-2013). As at balance date, the Council had finance leases with an average lease term of seven years. |
| Bank overdraft | 29 | Overdrafts are recognised at the principal amount. Interest is charged as an expense as it occurs. | The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. Interest rates on utilised overdraft were 9.48% (9.73% 2012-2013). The interest rate as at balance date was 9.48% (9.73% 2012-2013). |
| Trust Funds | 23 | Refundable deposits and other amounts are held in trust until satisfactory completion of works. | No interest is paid on deposits held. |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

NOTE 35 FINANCIAL INSTRUMENTS
(cont.)

(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:

| | Floating Interest Rate \$000 | Fixed Interest rate maturing in: | | | | Non-interest bearing \$000 | Total \$000 |
|---|------------------------------------|--|--|--|----------------|----------------------------------|----------------|
| | | 1 year or less \$000 < 1 year | Over 1 to 5 years \$000 1 – 5 years | More than 5 years \$000 > 5 years | | | |
| 2014 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 400 | 15,382 | – | – | 2 | 15,784 | |
| Investments | – | 4,600 | – | – | – | 4,600 | |
| Other financial assets | – | – | – | – | 5 | 5 | |
| Trade and other receivables | – | 7,202 | – | – | 2,144 | 9,346 | |
| Accrued income | – | – | – | – | – | – | |
| Total financial assets | 400 | 27,184 | – | – | 2,151 | 29,735 | |
| Weighted average interest rate | 2.56% | 3.78% | | | | | |
| Financial liabilities | | | | | | | |
| Trade and other payables | – | – | – | – | 4,109 | 4,109 | |
| Trust funds and deposits | – | – | – | – | 1,166 | 1,166 | |
| Interest-bearing liabilities | – | 1,545 | 5,390 | 8,230 | – | 15,165 | |
| Total financial liabilities | – | 1,545 | 5,390 | 8,230 | 5,275 | 20,440 | |
| Weighted average interest rate | 9.48% | 6.63% | | | | | |
| Net financial assets (liabilities) | 400 | 25,639 | (5,390) | (8,230) | (3,124) | 9,295 | |
| 2013 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 1,187 | 16,044 | – | – | 6 | 17,237 | |
| Investments | – | 4,300 | – | – | – | 4,300 | |
| Other financial assets | – | – | – | – | 5 | 5 | |
| Trade and other receivables | – | 6,483 | – | – | 1,131 | 7,614 | |
| Accrued income | – | – | – | – | – | – | |
| Total financial assets | 1,187 | 26,827 | – | – | 1,142 | 29,156 | |
| Weighted average interest rate | 4.58% | 5.63% | | | | | |
| Financial liabilities | | | | | | | |
| Trade and other payables | – | – | – | – | 3,478 | 3,478 | |
| Trust funds and deposits | – | – | – | – | 1,048 | 1,048 | |
| Interest-bearing liabilities | – | 2,517 | 3,176 | 9,598 | – | 15,291 | |
| Total financial liabilities | – | 2,517 | 3,176 | 9,598 | 4,526 | 19,817 | |
| Weighted average interest rate | 4.10% | 5.55% | | | | | |
| Net financial assets (liabilities) | 1,187 | 24,310 | (3,176) | (9,598) | (3,384) | 9,339 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 35 FINANCIAL INSTRUMENTS (cont.)

(c) Net fair value

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

| Financial instruments | Total carrying amount as per Balance Sheet | | Aggregate net fair value | |
|------------------------------------|---|---------------|-----------------------------|---------------|
| | 2014 \$000 | 2013 \$000 | 2014 \$000 | 2013 \$000 |
| (1) Financial assets | | | | |
| Cash and cash equivalents | 15,784 | 17,237 | 15,784 | 17,237 |
| Investments | 4,600 | 4,300 | 4,600 | 4,300 |
| Other financial assets | 5 | 5 | 5 | 5 |
| Trade and other receivables | 9,346 | 7,614 | 9,346 | 7,614 |
| Accrued income | – | – | – | – |
| Total financial assets | 29,735 | 29,156 | 29,735 | 29,156 |
| Financial liabilities | | | | |
| Trade and other payables | 4,109 | 3,478 | 4,109 | 3,478 |
| Trust funds and deposits | 1,166 | 1,048 | 1,166 | 1,048 |
| Interest-bearing liabilities | 15,165 | 15,291 | 15,165 | 15,291 |
| Total financial liabilities | 20,440 | 19,817 | 20,440 | 19,817 |

(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 interest rates.

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. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with the Commonwealth Bank of Australia. 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.

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NOTE 35 FINANCIAL INSTRUMENTS

(cont.)

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
- benchmarking of returns and comparison with budget.

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

Credit risk

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

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

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

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

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 assets at all.

To help reduce these risks we:

- 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 35 FINANCIAL INSTRUMENTS (cont.)

(f) 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 +1.0% and -2.0% in market interest rates (AUD) from year-end rates of 4.4%.

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 | Carrying amount subject to interest \$'000 | Interest rate risk | | | |
|--|--|-------------------------|------------------|------------------------|------------------|
| | | -1% 100 basis points | | 2% 200 basis points | |
| | | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| 2014 | | | | | |
| Financial assets: | | | | | |
| Cash and cash equivalents | 15,782 | 158 | 158 | (316) | (316) |
| Trade and other receivables | 7,202 | 72 | 72 | (144) | (144) |
| Financial liabilities: | | | | | |
| Interest-bearing loans and borrowings | 15,165 | 152 | 152 | (303) | (303) |
| 2013 | | | | | |
| Financial assets: | | | | | |
| Cash and cash equivalents | 17,231 | (172) | (172) | 345 | 345 |
| Trade and other receivables | 6,483 | (65) | (65) | 130 | 130 |
| Financial liabilities: | | | | | |
| Interest-bearing loans and borrowings | 15,291 | (153) | (153) | 306 | 306 |

NOTE 36 AUDITORS REMUNERATION

| | 2014 \$'000 | 2013 \$'000 |
|---|----------------|----------------|
| Audit fee to conduct external audit – Victorian Auditor-General | 60 | 58 |
| Internal audit/professional fees – Crowe Horwath | 93 | 93 |
| | 153 | 151 |

NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE

To Council's knowledge there have been no significant events after balance date.

NOTE 38 RELATED PARTY TRANSACTIONS

(i) Names of persons holding the position of a Responsible Person at Nillumbik Shire Council at any time during the year are:

Councillors (elected 27 October 2012)

| | |
|---|------------------|
| Cr Anika Van Hulsen | Cr Meralyn Klein |
| Cr Bronnie Hattam | Cr Ken King |
| Cr Michael Young (Mayor 28 October 2013 – 30 June 2014) | Cr Helen Coleman |
| Cr Peter Perkins (Mayor 1 July – 27 October 2013) | |

Chief Executive Officer

Stuart Burdack

(ii) Remuneration of Responsible Persons

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

| | 2014 | 2013 |
|-----------------------|----------|-----------|
| \$0 – \$10,000 | – | 3 |
| \$10,001 – \$20,000 | – | 3 |
| \$20,001 – \$30,000 | 5 | 2 |
| \$30,001 – \$40,000 | 1 | 1 |
| \$60,001 – \$70,000 | 1 | 1 |
| \$270,001 – \$280,000 | – | 1 |
| \$291,001 – \$300,000 | 1 | – |
| Totals | 8 | 11 |

| | | |
|---|---------------|---------------|
| Total remuneration for the reporting year for Responsible Persons included above amounted to: | \$'000 | \$'000 |
| | 521 | 479 |

(iii) No retirement benefits have been made by the Council to a Responsible Person (2012-2013, nil)

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012-2013, nil).

(v) 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 Person during the reporting year (2012-2013, nil).

(vi) 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 those whose total annual remuneration exceeds \$133,000. The number of senior officers other than the Responsible Persons, are shown below in their relevant income bands:

| | 2014 | 2013 |
|-----------------------|-----------|-----------|
| Less than \$133,000 | 1 | – |
| \$133,001 – \$140,000 | 3 | 6 |
| \$140,001 – \$150,000 | 8 | 6 |
| \$150,001 – \$160,000 | 3 | – |
| \$180,001 – \$190,000 | – | 3 |
| \$190,001 – \$200,000 | 2 | 1 |
| \$200,001 – \$210,000 | 2 | – |
| Totals | 19 | 16 |

| | | |
|--|---------------|---------------|
| Total Remuneration including bonus payments for the reporting year for Senior Officers included above amounted to: | \$'000 | \$'000 |
| | 2,910 | 2,441 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 39 JOINT VENTURE INFORMATION

Council is not involved in any joint ventures at balance date.

NOTE 40 INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITIES

| | ENVIRONMENT AND PLANNING | | LEISURE AND COMMUNITY | | INFRASTRUCTURE SERVICES | | CORPORATE SERVICES | | EXECUTIVE SERVICES | | TOTAL | |
|------------------------------|--------------------------|----------------|-----------------------|----------------|-------------------------|----------------|--------------------|----------------|--------------------|----------------|----------------|----------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| INCOME | | | | | | | | | | | | |
| Grants | 606 | 572 | 3,005 | 3,213 | 4,195 | 4,007 | 1,913 | 1,954 | - | - | 9,719 | 9,746 |
| Other | 2,298 | 2,034 | 11,227 | 11,669 | 6,487 | 5,421 | 61,47 | 57,971 | - | - | 81,482 | 77,095 |
| Total | 2,904 | 2,606 | 14,232 | 14,882 | 10,682 | 9,428 | 63,383 | 59,925 | - | - | 91,201 | 86,841 |
| EXPENSES | | | | | | | | | | | | |
| Surplus/deficit for the year | (5,343) | (5,506) | (7,815) | (7,740) | 16,953) | (21,501) | 37,652 | 37,075 | (882) | (856) | 6,659 | 1,472 |

* Details relating to assets by function/activity were not readily available at balance date.

** Total income and expenditure exceed amounts reflected as they include internal charges.

INFRASTRUCTURE SERVICES

The Infrastructure Services Department is responsible for protecting and enhancing and developing the Council's social and physical environment. The broad objective will be achieved through planning, coordination and delivery of a diverse range of high quality, cost-efficient community and environmental services which are responsive to the needs of residents and other service users.

The area comprises:

Infrastructure Development
Emergency Risk Coordination

Infrastructure Maintenance
Assets and Property

COMMUNITY AND LEISURE

The Community and Leisure Department provides arts, sport and major leisure facilities, ongoing major leisure facility contracts, broad range of Health and Human Services for children, young people, families and older adult, and promotion of health and human services.

The area comprises:

Community Participation, Learning and Culture
Community Services and Social Development

Community and Leisure Facilities
People and Place

ENVIRONMENT AND PLANNING

The Environment and Planning Department promotes and enhances environmental sustainability and community wellbeing through funding programs and services, policy and strategic development, advocacy, service provision, community partnerships, regulatory activity and the management of council environmental assets.

The area comprises:

Planning Services
Environmental Services

Regulatory Services
Strategic and Economic Planning

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

NOTE 40 INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITIES
(cont.)

CORPORATE SERVICES

The Corporate Services Department is responsible for the effective and efficient operations and outcomes of Council's financial, technology, corporate and governance services.

The area comprises:

| | |
|-------------------------------|-------------------------------------|
| Information and Technology | Finance |
| Governance and Communications | Organisational Development and Risk |

EXECUTIVE SERVICES

The area comprises:

Executive Management
Council Support

NOTE 41 FINANCIAL RATIOS (PERFORMANCE INDICATORS)

| | 2014 \$'000 | 2014 % | 2013 \$'000 | 2013 % | 2012 \$'000 | 2012 % |
|--|----------------|-----------|----------------|-----------|----------------|-----------|
| (a) Debt servicing ratio | | | | | | |
| To identify the capacity of Council to service its outstanding debt. | | | | | | |
| <u>Debt servicing costs</u> | 992 | = 1.3% | 1,033 | = 1.4% | 994 | = 1.4% |
| <u>Total revenue</u> | 75,145 | | 72,470 | | 71,659 | |

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) Debt commitment ratio

To identify Council's debt redemption strategy.

| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| <u>Debt servicing and redemption costs</u> | 3,443 | = 6.5% | 2,181 | = 4.5% | 2,190 | = 4.8% |
| <u>Rates revenue</u> | 52,756 | | 48,037 | | 45,224 | |

The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) Revenue ratio

To identify Council's dependence on non-rate income.

| | | | | | | |
|----------------------|--------|---------|--------|---------|--------|---------|
| <u>Rates revenue</u> | 52,756 | = 70.2% | 48,037 | = 66.3% | 45,224 | = 63.1% |
| <u>Total revenue</u> | 75,145 | | 72,470 | | 71,659 | |

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council. Total Revenue includes Gifted assets and Previously non recognised assets as income in addition to the normal operating activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 41 FINANCIAL RATIOS (PERFORMANCE INDICATORS)

(cont.)

| | 2014 \$'000 | 2014 % | 2013 \$'000 | 2013 % | 2012 \$'000 | 2012 % |
|---|----------------|-----------|----------------|-----------|----------------|-----------|
| (d) Debt Exposure Ratio | | | | | | |
| To identify Council's exposure to debt. | | | | | | |
| <u>Total indebtedness</u> | <u>35,807</u> | = 10.7% | <u>35,086</u> | = 11.3% | <u>41,910</u> | = 13.5% |
| <u>Total realisable assets</u> | 333,201 | | 309,304 | | 311,571 | |

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. Any liability represented by a restricted asset (Note 30) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

(e) Working Capital Ratio

To assess Council's ability to meet current commitments.

| | | | | | | |
|-----------------------------------|---------------|-------|---------------|-------|---------------|-------|
| <u>Current assets</u> | <u>30,103</u> | = 2.2 | <u>29,529</u> | = 2.2 | <u>31,611</u> | = 1.6 |
| <u>Current liabilities</u> | 13,495 | | 13,268 | | 20,041 | |

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f) Adjusted Working Capital Ratio

To assess Council's ability to meet current commitments.

| | | | | | | |
|-----------------------------------|---------------|-------|---------------|-------|---------------|-------|
| <u>Current assets</u> | <u>30,103</u> | = 3.2 | <u>29,529</u> | = 3.1 | <u>31,611</u> | = 1.9 |
| <u>Current liabilities</u> | 9,387 | | 9,541 | | 16,701 | |

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.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

| | Note | 2014 \$000 | 2013 \$000 |
|--|-------|---------------|----------------|
| NOTE 42 CAPITAL EXPENDITURE | | | |
| Capital expenditure areas | | | |
| Bridges | | 284 | – |
| Children's playground equipment | | 355 | – |
| Commercial centres/major streetscapes | | 424 | – |
| Miscellaneous | | 609 | 109 |
| Disability access works | | 118 | – |
| Drainage | | 498 | 264 |
| Footpaths | | 514 | 34 |
| Landfill/operations centre | | – | – |
| Major leisure centres and community halls | | 784 | 197 |
| Other council buildings | | 6,875 | – |
| Plant and vehicle replacement | | 1,251 | 1,582 |
| Public open space | | 1,022 | 75 |
| Recreation trails | | 354 | – |
| Roads | | 2,671 | 29 |
| Special Charge Schemes (Council contributions) | | 309 | – |
| Sportsfields and pavilions | | 460 | – |
| Traffic works | | 310 | – |
| Work in progress | | – | 4,263 |
| Total capital works | | 16,838 | 6,553 |
| Represented by: | | | |
| Renewal | | 5,350 | 2,500 |
| Upgrade | | 8,418 | 2,363 |
| New | | 3,070 | 1,690 |
| Total capital works | | 16,838 | 6,553 |
| Property, plant and equipment, infrastructure movement | | | |
| Total capital works | | 16,838 | 6,553 |
| Asset revaluation movement | 26(a) | 513 | – |
| Depreciation/amortisation | 12 | (9,227) | (8,858) |
| Written down value of assets sold | 21 | (1,496) | (1,163) |
| Gifted infrastructure/artwork | 6 | 3,207 | 608 |
| Net movement in property, plant and equipment, infrastructure | | 9,835 | (2,860) |

(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.

(c) New

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 43 PENDING ACCOUNTING STANDARDS

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

The information below is applicable for annual reporting periods beginning or ending on 1 July 2014.

| STANDARD/ INTERPRETATION | SUMMARY | IMPACT ON LOCAL GOVERNMENT FINANCIAL STATEMENTS |
|---|---|---|
| AASB 10 Consolidated Financial Statements | This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors. | The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated. |
| AASB 11 Joint Arrangements | This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. | The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities. Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11. |
| AASB 12 Disclosure of Interests in Other Entities | This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective. | Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures. |
| AASB 127 Separate Financial Statements | This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. | The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities. |
| AASB 128 Investments in Associates and Joint Ventures | This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. | The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities. |
| AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements | These standards set out the tiers of financial reporting and the reduced disclosure framework. | Council has yet to determine the impact of this standard. |

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDING 30 JUNE 2014

NOTE 44 FAIR VALUE ASSESSMENTS

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 |
|----------------------------|-------------------|-------------------|-------------------|
| Property | | | |
| Land | | 255,329 | |
| Playgrounds | | 1,305 | |
| Buildings | | | 73,805 |
| Plant and Equipment | | | |
| Artwork | | | 1,805 |
| Infrastructure | | | |
| Roads/Earthworks | | | 178,279 |
| Kerb and Channel | | | 9,029 |
| Footpaths/Bike paths | | | 11,485 |
| Drains | | | 85,015 |
| Bridges | | | 9,469 |

**RECONCILIATION OF LEVEL 3 FAIR VALUE
2014**

| | Property | Plant and Equipment | Infrastructure |
|------------------------|---------------|---------------------|----------------|
| Opening Balance | 68,033 | 1,805 | 296,321 |
| Depreciation | (2,145) | | (5,233) |
| Revaluation | 1,054 | | (2,925) |
| Acquisitions | 6,967 | | 5,550 |
| Disposals | (104) | | (436) |
| Transfers | - | | - |
| Closing Balance | 73,805 | 1,805 | 293,277 |

DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS INTO LEVEL 3 VALUATIONS

Buildings

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|------------------------------|--------------------------------------|---------------|---|
| Depreciated Replacement Cost | Direct cost per square metre | \$230-\$3,500 | Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. |
| | Useful life of specialised buildings | 50-100 Years | |
| | Useful life of specialised buildings | | Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value. |

Artwork

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|---|---|---------------|--|
| Market based direct comparison approach | Extent and impact of restriction of use | \$5-\$150,000 | Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value. |
| | Useful life of specialised buildings | 50-100 Years | |
| | Useful life of specialised buildings | | Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value. |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2014

NOTE 44 Fair Value Assessments (cont.)

Roads

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|------------------------------|--|--|--|
| Depreciated Replacement Cost | Cost per unit Useful life of infrastructure | Unsealed \$180 per metre Spray Seal \$279 per metre Asphalt \$552 per metre 10-30 Years | Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value. |

Kerb and Channel

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|------------------------------|--|--|--|
| Depreciated Replacement Cost | Cost per unit Useful life of infrastructure | Earth Channel \$7 per metre Semi Mount Concrete \$54 per metre 10-50 Years | Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value. |

Footpath

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|------------------------------|--|---|--|
| Depreciated Replacement Cost | Cost per unit Useful life of infrastructure | Timber \$211 per metre Asphalt \$112 per metre Spray Seal \$6.77 per metre Unformed Track \$1.67 per metre 5-20 Years | Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value. |

Drainage

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|------------------------------|--|---|--|
| Depreciated Replacement Cost | Cost per unit Useful life of infrastructure | PVC/UPVC \$66-\$606 per metre FRC \$79-\$824 per metre Rib Lock \$129 per metre RCP \$125-\$3,883 per metre Pits \$630-\$3,464 per pit Endwall \$216-\$2,839 per endwall 50-100 Years | Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value. |

Bridges

| VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE | SENSITIVITY |
|------------------------------|--|---|--|
| Depreciated Replacement Cost | Cost per unit Useful life of infrastructure | Bridges \$655-\$2,312 per metre Culverts \$110-\$2,211 per metre 50-100 Years | Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value. |

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 Regulations 2001*, the *Local Government (Finance Reporting) Regulations 2004* (superseded by the *Local Government Planning and Reporting Regulations 2014*), *Australian Accounting Standards*, and other mandatory professional reporting requirements.



Principal Accounting Officer, Amy Montalti CPA

Date: 26/8/2014

GREENSBOROUGH

In our opinion, the accompanying financial report presents fairly the financial transactions of the Shire of Nillumbik for the year ended 30 June 2014 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 report to be misleading or inaccurate.

On 26 August 2014 we were authorised by the Council to certify the financial report in its final form on behalf of the Council.



Councillor Michael Young (Mayor)

Date: 26/8/2014



Councillor Ken King

Date: 26/8/2014



Chief Executive Officer, Stuart Burdack

Date: 26/8/2014

GREENSBOROUGH

AUDITOR GENERAL'S REPORT

ON THE FINANCIAL REPORT AND STANDARD STATEMENTS

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Nillumbik Shire Council

The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2014 of Nillumbik Shire Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements has been audited.

The accompanying financial report for the year ended 30 June 2014 of the Nillumbik Shire Council which comprises 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 Councillors' Responsibility for the Standard Statements and Financial Report

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

- 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 financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the standard statements and financial report 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 standard statements and financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the standard statements and financial report are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standard statements and financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the standard statements and financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the standard statements and financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Auditing in the Public Interest

AUDITOR GENERAL'S REPORT

ON 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 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*.
- (b) the financial report presents fairly, in all material respects, the financial position of the Nillumbik Shire Council as at 30 June 2014 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*

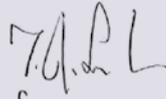
Basis of Accounting for Standard Statements

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 Standard Statements and Financial Report

This auditor's report relates to the standard statements and financial report of the Nillumbik Shire Council for the year ended 30 June 2014 included both in the Nillumbik Shire Council's annual report and on the website. The Councillors of the Nillumbik Shire Council are responsible for the integrity of the Nillumbik Shire Council's website. I have not been engaged to report on the integrity of the Nillumbik Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE
28 August 2014


for John Doyle
Auditor-General

Auditing in the Public Interest

PERFORMANCE STATEMENT

The *Local Government Act 1989* (section 132) requires the Council to prepare a Performance Statement. This statement outlines our performance of Key Strategic Activities against the targets and measures set out in the Annual Budget for the year ended 30 June 2014. The use of performance indicators by Local Government is a step towards achieving:

- an improved capacity to objectively measure Council performance.
- better informed local communities.

Goal/Strategy: Our community

| KEY STRATEGIC ACTIVITY | MEASURE | TARGET | OUTCOME | COMMENT |
|---|---|-----------|-----------------|--|
| Implementation of Fire Prevention Works Program | Percentage of actual to budgeted expenditure on fire prevention program works | > 95% | Achieved | 100% of on-ground and vegetation management works have been completed. |
| Preparation of new Health and Wellbeing Plan | Date before which Council approves Health and Wellbeing Plan | 31 Oct 13 | Achieved | Municipal Health and Wellbeing Plan adopted by Council on 17 October 2013. |
| Review of Local Laws | Date before which Council completed the reviews of its three local laws | 30 Nov 13 | Partly Achieved | Two of the local laws (Amenity Local Law and Infrastructure Assets Local Law) were reviewed by Council and adopted on 26 November 2013. The review of the third local law (Meeting Procedure) was deferred due to the State Government decision to make amendments to the Local Government Act regarding governance and conduct matters, as these amendments are yet to pass through Parliament. |

Goal/Strategy: Our natural environment

| KEY STRATEGIC ACTIVITY | MEASURE | TARGET | OUTCOME | COMMENT |
|----------------------------------|--|--------|----------|--|
| Diversion of waste from landfill | Recyclable/recoverable material collected as % of total kerbside waste | >65% | Achieved | Over the 2013-14 year, 69% of kerbside waste was recyclable / recoverable material (comprising 38% recycling and 31% green waste). |

Goal/Strategy: Our built environment

| KEY STRATEGIC ACTIVITY | MEASURE | TARGET | OUTCOME | COMMENT |
|---|---|-----------|----------|--|
| Construction of new Hurstbridge Family Centre | Date before which practical completion is achieved for Hurstbridge Family Centre | 30 Jun 14 | Achieved | Construction completed in June 2014. |
| Timely processing of planning applications | Number of months when % of applications determined in less than 60 days is 60% or higher (as per monthly report to Council) | 12 months | Achieved | Over the 2013-2014 year, 78% of planning applications were determined by Council within 60 days. |

Goal/Strategy: Our economy

| KEY STRATEGIC ACTIVITY | MEASURE | TARGET | OUTCOME | COMMENT |
|--|--|--------|----------|--|
| Implementation of Economic Development Business Plan | Percentage of actions commenced prior to 30 June 2014 (as per Business Plan) | 100% | Achieved | 100% of actions commenced prior to 30 June 2014. |

PERFORMANCE STATEMENT

Goal/Strategy: Our Council

| KEY STRATEGIC ACTIVITY | MEASURE | TARGET | OUTCOME | COMMENT |
|---|---|--------|--------------|---|
| Improve community satisfaction with Council performance | Satisfaction with overall performance of Council as measured through the Annual Community Satisfaction Survey (score out of 10) | >6.4 | Not Achieved | The 2014 Nillumbik Community Survey was conducted in January and February 2014. The result for overall satisfaction with Council performance was 6.16 which was less than the target of 6.4 out of 10. However Nillumbik's result was consistent with the state-wide result of 61% as reported in the 2014 Local Government Community Satisfaction Survey report. |
| Preparation of Budget and Annual Report | Percentage of these matters completed by Council by statutory due dates in Local Government Act. | 100% | Achieved | The 2014-2015 Budget was adopted by Council on 24 June 2014. The 2012-2013 Annual Report was adopted by Council on 24 September 2013. |

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of Nillumbik Shire Council in respect of the financial year ended 30 June 2014, is presented fairly in accordance with the *Local Government Act 1989*. The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's Corporate Plan and describes the extent to which the business plan was met in that year.

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.

We were authorised by the Council on 26 August 2014 to certify the Performance Statement in its final form on behalf of the Council.



Councillor Michael Young (Mayor)

Date: 26/8/2014



Councillor Ken King

Date: 26/8/2014



Chief Executive Officer, Stuart Burdack

Date: 26/8/2014

GREENSBOROUGH

AUDITOR GENERAL'S REPORT

ON THE PERFORMANCE STATEMENT

VAGO

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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Nillumbik Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Nillumbik Shire Council which comprises the statement, the related notes and the Certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Nillumbik Shire 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.

Auditing in the Public Interest

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.

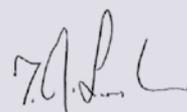
Auditor's Opinion

In my opinion, the performance statement of the Nillumbik Shire Council in respect of the 30 June 2014 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 Nillumbik Shire Council for the year ended 30 June 2014 included both in the Nillumbik Shire Council's annual report and on the website. The Councillors of the Nillumbik Shire Council are responsible for the integrity of the Nillumbik Shire Council's website. I have not been engaged to report on the integrity of the Nillumbik Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
28 August 2014



John Doyle
Auditor-General



GLOBAL REPORTING INITIATIVE

Nillumbik Shire Council's 2013-2014 Annual Report is prepared with reference to the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

GRI is a network-based organisation that produces a comprehensive sustainability reporting framework that is widely used by organisations around the world to report on their economic, environmental and social practices and performance.

The contents of Council's annual report are substantially determined by the requirements of the *Local Government Act 1989* and, like all councils in Victoria, we have been reporting our financial and non-financial performance to our stakeholders for many years.

Council's financial and standard statements and performance statement are externally audited by the Victorian Auditor General and have been prepared in accordance with relevant legislation and professional standards.

The GRI offers two options for an organisation in order to prepare its report 'in accordance' with the guidelines – the 'core' option and the 'comprehensive' option. Council is reporting against the 'core' option.

The GRI appears as a list of indicators or index, each with a page reference to demonstrate where in the annual report the relevant information can be located.

This is the first year that Nillumbik, has reported against the principles and performance measures of the GRI.

GLOBAL REPORTING INITIATIVE

GRI Content Index for 'in accordance' – core

| GRI INDICATOR | DESCRIPTION | PAGE |
|------------------------------------|---|-----------------------|
| GENERAL STANDARD DISCLOSURE | | |
| Strategy and analysis | | |
| G4-1 | Statement from most senior decision maker | 2-3 |
| Organisational profile | | |
| G4-3 | Name of organisation | iii |
| G4-4 | Primary brand, products and services | 29-57 |
| G4-5 | Location of headquarters | Back page |
| G4-6 | Number of countries in which the organisation operates | 13 |
| G4-7 | Nature of ownership and legal form | 7 |
| G4-8 | Markets served | 13 |
| G4-9 | Scale of organisation (total number of employees, number of operations, net revenue, quantity of products or services provided) | 4-5, 29-57, 63-67 |
| G4-10 | Number of employees by contract and gender Number of permanent employees by employment type and gender Total workforce by employees and supervised workers by gender Total workforce by region and gender Whether substantial portion of work is performed by sub-contractors Any significant variations in employment numbers | 63-67 |
| G4-11 | Percentage of employees covered by collective bargaining agreements | 64 |
| G4-12 | Organisation's supply chain | 72 |
| G4-13 | Report significant changes regarding organisation's size, structure, ownership or supply chain | No significant change |
| G4-14 | Precautionary approach or principle is addressed by organisation (risk management) | 71 |
| G4-15 | List of externally developed economic, environmental and social charters, principles or other initiatives which the organisation subscribes/endorsees | 76 |
| G4-16 | List of membership of associations and national advocacy organisations in which the organisation: <ul style="list-style-type: none"> • Holds a position • Participates in projects and committees • Provides substantive funding beyond memberships due • Views membership as strategic | 70 |

GLOBAL REPORTING INITIATIVE

GRI Content Index for 'in accordance' – core (cont.)

| GRI INDICATOR | DESCRIPTION | PAGE |
|--|---|---|
| GENERAL STANDARD DISCLOSURE | | |
| Identified material aspect and boundaries | | |
| G4-17 | List all entities in the organisations consolidated financial statements | 82-140 |
| G4-18 | Explain the process for defining report content and the aspect boundaries | iii, 18 |
| G4-19 | List all material aspects identified in the process for defining report content | iii, 18 |
| G4-20 | For each material aspect, report the aspect boundary within the organisation | 7 |
| G4-21 | For each material aspect, report the aspect boundary outside the organisation | 29-57 |
| G4-22 | Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement | No re-statement of information in earlier reports |
| G4-23 | Report significant changes from previous reporting periods in the scope and aspect boundaries | No significant changes in the scope and aspect boundaries |
| Stakeholder Engagement | | |
| G4-24 | List of stakeholder groups engaged by the organisation | iii |
| G4-25 | Basis for identification and selection of stakeholders | iii |
| G4-26 | Organisation's approach to stakeholder engagement | 27 |
| G4-27 | Key topics and concerns raised during stakeholder engagement and how organisation responded | 24-25 |
| Report profile | | |
| G4-28 | Reporting period | iii |
| G4-29 | Date of most recent previous report | iii |
| G4-30 | Reporting cycle | iii, 18 |
| G4-31 | Contact point for questions regarding the report or content | iii |
| G4-32 | Report the 'in accordance' option GRI content index Reference to external assurance report if applicable | 139 |
| G4-33 | Assurance – organisation's current policy and practice for seeking external assurance | 141 |
| Governance | | |
| G4-34 | Governance structure of the organisation, identify any committees responsible for decision-making on economic, environmental and social impacts | 69-70 |
| Ethics and Integrity | | |
| G4-56 | Organisation's values, principles, standards and norms of behaviour such as code of conduct and code of ethics | 63-64 |

ANNUAL FINANCIAL REPORT

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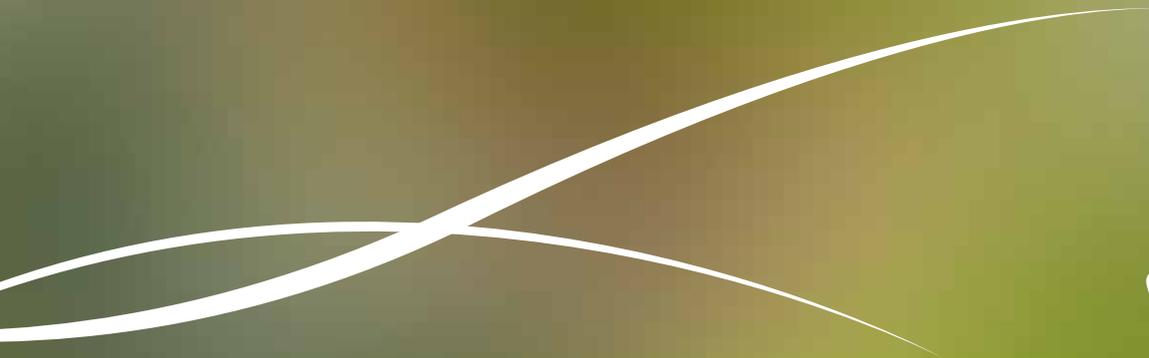
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