



# ANNUAL REPORT 2014-2015

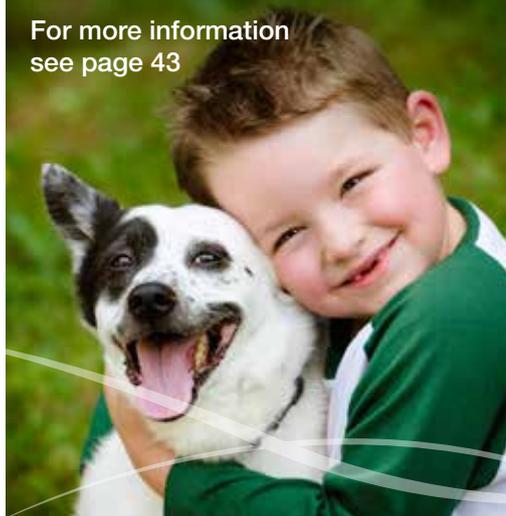


# YEAR IN REVIEW

## COUNCIL PLAN GOAL

### OUR COMMUNITY

For more information  
see page 43



#### ACHIEVEMENTS

- The Diamond Creek Community Centre Masterplan was exhibited for public comment from February to May 2015.
- 25,433 hours of care and 11,056 meals delivered to frail, aged and disabled residents.
- Appointed a childcare centre operator to the new Hurstbridge Hub.
- Centenary of ANZAC interpretative signage was installed.
- Purpose-built dog parks were opened in Diamond Creek and Hurstbridge.

#### CHALLENGES

- Attendance figures at the Eltham Leisure Centre dropped more than 13 per cent due to market competition, the ageing condition of the facility and its impending upgrade.

#### THE YEAR AHEAD

- Begin the \$15.8 million redevelopment of the aquatics facilities at Eltham Leisure Centre.

### OUR NATURAL ENVIRONMENT

For more information  
see page 55



#### ACHIEVEMENTS

- Council established its position on small lots in the Green Wedge.
- Some 172 submissions were received on Amendment C81 (Significant Landscape Overlay) to the Nillumbik Planning Scheme.
- Nine Landcare groups assisted in the third year of the Conservation Corridors project.
- 54 working bees were held in conjunction with 22 'Friends of' groups.
- Fire prevention works were completed in 53 bushland and wetland reserves.

#### CHALLENGES

- A comprehensive 12-month community education campaign and schedule of bin inspections by Council reduced the percentage of contaminated household green waste bins from 12 per cent to just 4.45 per cent.

#### THE YEAR AHEAD

- Complete further site works at Edendale Farm.

## OUR BUILT ENVIRONMENT

For more information  
see page 63



### ACHIEVEMENTS

- Good progress was made on the Hurstbridge Intergenerational Housing project – Liveable Nillumbik.
- The community was consulted on an issues and options paper for the Yarrambat Township Plan.
- The Graysharps Road section of the Diamond Creek Trail in Hurstbridge was completed.
- The St Andrews Community Centre was completed.

### CHALLENGES

- The Tree Management and Maintenance Policy was released for public consultation in May.

### THE YEAR AHEAD

- Progress the Diamond Creek Trail.

## OUR ECONOMY

For more information  
see page 71



### ACHIEVEMENTS

- Stage 2 of the Brand Nillumbik project was undertaken and the results reported to Council.
- Work began on the redevelopment of the Eltham Town Square.
- Amendments C51 Eltham Structure Plan and C53 Diamond Creek Twenty20 were approved by the Minister.
- Over the year, 73% of planning applications were determined within the statutory 60 days.

### CHALLENGES

- Work on the Eltham Precincts 3 and 4 Masterplan continued and an architecture firm has been commissioned to prepare a detail proposal.

### THE YEAR AHEAD

- Begin preparation of a township plan for Kangaroo Ground.

## OUR COUNCIL

For more information  
see page 77



### ACHIEVEMENTS

- Advocacy in the lead up to the November 2014 State Election secured funding for a number of local projects. An Interface Fund of \$50 million was announced by the new Government in the May budget.
- A feasibility study into an athletics track was undertaken and reported to Council.

### CHALLENGES

- The Playground Strategy was delayed due to resourcing and capacity.

### THE YEAR AHEAD

- Consult with the Nillumbik community about rate capping and budget priorities.

# ABOUT THE ANNUAL REPORT

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Nillumbik Shire Council's Annual Report 2014-2015 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 2014-2015 financial year against the five strategic objectives set out in the Council Plan 2013-2017 and Budget 2014-2015.

The report details Council's operations and performance during the financial

year consistent with the State Government's Local Government Performance Reporting Framework which came into effect on 1 July 2014.

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

It 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 2014.

## NILLUMBIK SHIRE COUNCIL

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## 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 2-39)
2. Our performance against the five strategic objectives in the Council Plan 2013-2017 (see Page 40)
3. Corporate information and statutory reporting (see Page 85)
4. Financial performance and performance against our key strategic activities (see Page 100)
5. Our performance against Global Indicators (see Page 156)

## 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](http://www.nillumbik.vic.gov.au)
- Telephoning Customer Service on 9433 3111
- Sending an email to [nillumbik@nillumbik.vic.gov.au](mailto: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](mailto:nillumbik@nillumbik.vic.gov.au).

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NILLUMBIK HAS A  
POPULATION OF 62,872  
PEOPLE WHO ENJOY A  
HEALTHY, SAFE, FAMILY-  
FRIENDLY LIFESTYLE WITHIN  
CLOSE-KNIT COMMUNITIES.

# SNAPSHOT OF COUNCIL

## DEMOGRAPHIC PROFILE

The Shire of Nillumbik is known as the Green Wedge Shire and covers an area of 432 square kilometres 25 kilometres north east of Melbourne.

Nillumbik has a population of 62,872 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities.

The Shire 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. Other unique townships include Hurstbridge, St Andrews, Strathewen, Yarrambat, Wattle Glen, Kangaroo Ground, Smiths Gully, North Warrandyte and the Bend of Islands.

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.

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

Our community has a high rate of employment with 96.9 per cent of our residents employed either full or part time. Of those, 71 per cent travel by car to work. More than 85 per cent of our residents own or are purchasing their home.

## At a glance

<b>Area</b>	<b>431.94 square kilometres</b>
<b>Total population</b>	<b>62,872</b>
<b>Rateable properties</b>	<b>23,076</b>
<b>Percentage of population aged 0-17 years</b>	<b>25.8%</b>
<b>Percentage of population aged 60 years and over</b>	<b>15.6%</b>
<b>High income households (\$2000 per week or more)</b>	<b>41.3%</b>
<b>Low income households (less than \$600 per week)</b>	<b>9.9%</b>
<b>Couples with children</b>	<b>9,777</b>
<b>Couples without children</b>	<b>4,647</b>
<b>Medium and high density housing</b>	<b>5.3%</b>
<b>Households with a mortgage</b>	<b>9,715</b>
<b>Households renting</b>	<b>1,912</b>
<b>Non-English speaking backgrounds</b>	<b>8.1%</b>
<b>University attendance</b>	<b>24.9%</b>
<b>Unemployment</b>	<b>3.5%</b>
<b>People who travelled to work by car (either as driver or passenger)</b>	<b>71%</b>



## MAYOR'S MESSAGE

THE PURCHASE OF THE FORMER HURSTBRIDGE SECONDARY COLLEGE SITE WILL PROVIDE MUCH-NEEDED AFFORDABLE, SUSTAINABLE AND ACCESSIBLY DESIGNED PROPERTIES SO RESIDENTS CAN STAY IN THE SHIRE THAT THEY LOVE.



I AM PLEASED TO INTRODUCE NILLUMBIK SHIRE COUNCIL'S 2014-2015 ANNUAL REPORT, WHICH DETAILS THE SECOND YEAR OF PROGRESS ON THE COUNCIL PLAN 2013-2017, AS WELL AS THE COMPREHENSIVE NEW PERFORMANCE REPORTING REQUIREMENTS INTRODUCED BY THE STATE GOVERNMENT ON 1 JULY 2014.

### 20TH ANNIVERSARY

In December 2014, we commemorated the 20th anniversary of Nillumbik's creation as a Shire following the review and amalgamation of councils across Victoria.

Our celebrations included a feature in our newsletter *Nillumbik News* looking back over the past 20 years at the achievements and events that have shaped our Shire.

The vision for the new Shire was to focus on the creation and protection of an eco-corridor based on enhancement of the environment, sensitive development and maintaining the green wedge – a vision that is just as important today.

### COMMUNITY FACILITIES

On 22 March, the Wadambuk Community Centre in St Andrews was officially opened. This \$3.2 million project was jointly funded with \$500,000 from Council and the remainder from the Victorian Bushfire Appeals Fund; Bendigo Bank; Heritage Victoria and the State Government. We held a Council meeting at this wonderful new facility in May.

After 10 years of consultation with the business sector and the broader community, work began on the redevelopment of the Eltham Town Square on 15 June. Successive councils have been working on this project since it was first identified in the 2004 Eltham Major Activity Centre Structure Plan. The development will include building public toilets, creating additional open space, tree planting, changing access roads which are adjacent to car parks and providing an alfresco café.

# MAYOR'S MESSAGE

A \$3 million boost from the Victorian Government in the lead up to the November State Election meant that the \$15.9 million redevelopment of Eltham Leisure Centre will now go ahead. Council will contribute \$12.9 million towards this much-needed project which will include replacing the 25 metre pool as well as providing a new 18 metre pool suitable for swimming lessons and a 12 metre warm water pool to support rehabilitation and therapy programs along with improved access in and around the pools.

The centre is more than 30 years old, the main pool and associated plant are out-dated, prone to regular failure and intermittently causes the shutdown of parts of the aquatic area.

In July, Council announced its purchase of the former Hurstbridge Secondary College site to provide much-needed accessible and diverse housing so that residents looking for more affordable, sustainable, accessibly designed and more manageable properties – whether as a first home, to downsize or to retire to – can stay in the Shire that they love. Other significant milestones include progress on the processes for rezoning and selling the land, public

consultation and panel hearings and the appointment of a community reference group.

## ADVOCACY AND ENGAGEMENT

Our advocacy campaign for a better deal for Nillumbik in the lead up to the November State Election continued this financial year and – working in partnership with our newly-elected Members of Parliament – has reaped some rewards for Council with local road and infrastructure projects being awarded much-needed funds. Further information is available in the Advocacy section in this Annual Report.

The \$50 million Interface Growth Fund was a welcomed announcement by the Minister for Local Government, Hon Natalie Hutchins MP in early July and was a win for the 10 interface councils on Melbourne's fringe who played a very active role in the Fairer Funding campaign.

This campaign sought a dedicated pool of funding for the interface which is experiencing high growth, community infrastructure renewal needs and Green Wedge management responsibilities.

Over its 20 year history, Nillumbik has had a very active and engaged community and I was personally very pleased to be able to support our new Community Engagement Policy as our public commitment to providing good governance and meaningful engagement with our residents.

The policy, supported by an internal working document for staff on designing community engagement processes, strengthens Council's existing commitment to seek input from the community on issues which affect them. It was developed using the best practice approach used around the world by the International Association of Public Participation (IAP2).

I would like to thank all Councillors for a productive year. The year ahead will see us working towards the introduction of rate capping framework and a comprehensive review of the *Local Government Act 1989*.



**Cr Helen Coleman**  
Nillumbik Shire Mayor

## MESSAGE FROM THE CEO

OUR SECOND STATE OF ENVIRONMENT REPORT PROVIDES A SNAPSHOT OF THE CONDITION OF THE ENVIRONMENT AND THE RESPONSE BY COUNCIL TO ADDRESS THEMES OF ENVIRONMENTAL SUSTAINABILITY, BIODIVERSITY, WATER, ENERGY, WASTE, COMMUNITY ENGAGEMENT AND COUNCIL OPERATIONS.



IT HAS BEEN ANOTHER CHALLENGING BUT REWARDING YEAR AT NILLUMBIK AND WE ARE IN A GOOD POSITION TO DELIVER THE SERVICES AND FACILITIES THAT OUR COMMUNITY EXPECTS OF US IN THE LONG TERM, AS WELL AS ADDRESSING THE CHANGES FACING THE SECTOR IN THE SHORT TO MEDIUM TERM.

### HIGHLIGHTS

This year saw us complete many pieces of significant strategic and policy work.

Council completed important medium-term planning by updating the Major Projects Plan and Financial Sustainability Plan, ensuring that vital community infrastructure is planned for in a financially responsible way. With responsibility for more than \$600 million of community and civil assets, Council needs to ensure these assets are maintained and upgraded to meet the needs of citizens.

After consulting with the local community, Council adopted the St Andrews Township Plan. Amendment C93 will apply a Design and Development Overlay (DDO9) to the township to clearly identify it as an area where there are specific requirements relating to the design and built form of new development, thereby protecting the unique character of St Andrews.

Successful lobbying saw the State Government agree to Council's request to maintain the 0.4 hectare (4,000m<sup>2</sup>) minimum subdivision size in all areas of the Shire currently zoned Low Density Residential (LDRZ).

Initially, the Government was considering a proposal to halve the minimum subdivision size LDRZ land where reticulated sewerage is available. This resizing could have led to substantial increases in population and housing demand in some of Victoria's most bushfire prone and environmentally significant areas such as North Warrandyte.

We delivered the second State of Environment (SoE) Report which provides a snapshot of the condition of the environment, pressures impacting upon the environment and the response by Council to address these pressures, specifically within the environmental sustainability themes of biodiversity, water, energy, waste, community engagement and council operations.

In terms of biodiversity, there has been a continuing loss of native vegetation, but the rate of loss is

## MESSAGE FROM THE CEO

slowing. Surveys have uncovered new occurrences of 19 threatened species. A Long-nosed Bandicoot was recorded in the Strathewen area for the first time since 1967. Community engagement in biodiversity programs is increasing and three new friends groups have started since 2012.

Council also adopted the Domestic Waste Water Management Plan – a State Government requirement – which outlines Council's program for managing septic tank systems across the Shire.

Our finances are in good health. The overall assessment of Council's financial sustainability will be confirmed by the Auditor-General in his annual report on Victorian local government in late 2015. However based on the results included in the financial statements and performance statement, it is expected that Nillumbik will again achieve an overall low-risk (green light) assessment for financial sustainability.

Good progress was made on the Council's commitment to service excellence. A working group developed and consulted widely – both internally and externally – on a Service Excellence Charter for the organisation. The Charter is a public commitment to our citizens and stakeholders about the level of service they can expect when they contact us.

At the same time, the Victorian Ombudsman was consulting with councils about their complaint handling policies and procedures and developed a best practice guide and policy template for councils to use. Nillumbik has developed its Complaint Handling Policy based on this template and I expect it to be endorsed by Council early in the next financial year.

## ADVOCACY AND ENGAGEMENT

The Mayor has touched on our advocacy for Nillumbik in the lead up to the November State Election. We also achieved success as a member of the Northern Region Councils and the Interface Councils. It was very pleasing to see some funding commitments to road and infrastructure projects in Nillumbik as a result of that advocacy.

Our community's satisfaction with Council's overall performance improved over the past year with the results of the 2015 Annual Community Survey showing a 12 per cent increase on the 2014 result. Conducted by Metropolis Research, the survey found that the Nillumbik community considered Council's performance across all areas of responsibility or overall performance to be 'good' at 6.90 out of 10. This is an increase on the 2014 result of 6.16.

Planning has begun on a comprehensive community engagement exercise with our residents about priorities for budget spending and service delivery and the issue of rate capping. The State Government's plan to cap annual rate increases to CPI places greater emphasis on Council's ongoing review of the range and standard of services and facilities it provides to the local community to ensure they are responsive to needs and delivered in an efficient and effective manner.

Understanding the community's views and priorities, particularly in the areas of future service delivery and infrastructure will be vital to ensure that Council makes well informed decisions about this important community issue.

We will establish a panel of community leaders and will inform them through a series of workshops involving presentations from officers and small group discussions. This will help to create informed and reflective public opinion on the current financial, rates and service delivery issues facing Council. Consultation with the broader Nillumbik community is also proposed through social and traditional media and a community survey.

Social media platforms continue to become an increasingly popular way for us to communicate with our residents about our projects and services and for them to provide us with valuable feedback. In May, our Facebook page reached 1,000 likes and throughout the year we had 25,119 likes, shares or comments about our posts.

## THE YEAR AHEAD

A significant amount of work took place to prepare the organisation for the first year of performance reporting under the State Government's new framework which came into effect on 1 July 2014. This Annual Report includes the new financial, sustainability and service indicators on which we must now report as a full and transparent disclosure to the Government and the community about Council's performance for the financial year.

I would like to thank the Councillors, management and staff for their hard work and commitment throughout the year.



**Stuart Burdack**  
Chief Executive Officer

# OUR FINANCES

## FINANCIAL SUSTAINABILITY IS A CHALLENGE FOR ALL GOVERNMENTS, AND SOUND FINANCIAL PLANNING IS A CORNERSTONE OF GOOD GOVERNANCE.

### FINANCIAL SUMMARY

This overview provides an outline of the operating result for the year, compared to the adopted budget. It also provides details of Council's progress in achieving the targets set in Council's Financial Sustainability Plan.

### OPERATING RESULT FOR 2014-2015

Council budgeted for an operating surplus of \$2.8 million in 2014-2015. This represented \$2.7 million in cash required to replenish Council's financial reserves. Council had used its financial reserves in 2013 to pay the \$4.6 million Defined Benefit Superannuation liability, and adopted a two-year strategy to replenish this cash over 2013-2014 (\$1.9 million) and 2014-2015 (\$2.7 million). Council also budgeted for a further \$100,000 cash surplus to cover budget variations during the 2014-2015 year.

The operating surplus reported in the 2014-2015 financial statements is \$15 million which is higher than the budgeted surplus of \$2.8 million. This variance is predominantly due to higher than budgeted income for the following items:

- Operating and capital grants (\$3.3 million higher)
- Development contributions – monetary (\$2.5 million higher)
- Development contributions – infrastructure assets (\$1.9 million higher)
- Proceeds from sale of property (\$3.2 million higher)

This positive result has shown an increase in Council's cash position for the year end. However, much of this funding is tied to specific future projects and is set aside in Council's reserve funds until these works are undertaken.

### FINANCIAL SUSTAINABILITY RESULTS

Council's Financial Sustainability Plan was adopted in December 2013. It identifies the challenges and issues facing Council in terms of financial sustainability, and establishes the principles that Council will follow in managing its finances.

This plan also sets targets for Council to monitor its financial sustainability on an ongoing basis. Some of these targets are to be achieved each year, while other longer-term targets are to be achieved over several years. The projected performance on each target is identified in the Annual Budget, and the actual results are then reported in the Annual Report and appear in the following table.

Some targets match those used by the Victorian Auditor-General, and these results will be confirmed when the Auditor-General's annual audit report on Victorian local government is presented for 2014-2015. Council has also included some other targets to track progress on specific issues such as asset management and capital works.

### LIQUIDITY

Council's strong cash position of \$30.5 million is primarily made up of funds held in short term investments which are reserved for a specific purpose. The significant increase, when compared to prior years, is attributable to additional funding received during the year which has been set aside for specific purposes. Council has recorded a liquidity ratio of 2.66 which demonstrates that Council has sufficient cash to cover its debts when they are due.

### OBLIGATIONS

Council has an extensive portfolio of infrastructure assets held for the benefit of the community. Council aims to renew and maintain its assets at a level which meets community needs. Council has achieved a low-risk result according to the Victorian Auditor-General's renewal gap ratio, which measures renewal and upgrade expenditure as a proportion of depreciation. Council is projecting additional renewal expenditure in coming years, including the redevelopment of the Eltham Leisure Centre aquatics facility which represents the largest single asset renewal project.

Despite taking out a new loan of \$1.4 million during 2014-2015, Council's overall borrowings have not increased which is reflective of Council's conservative position on borrowing funds. This is in line with the Council's Financial Sustainability Plan, and remains within the Victorian Auditor-General's low-risk range.

### STABILITY AND EFFICIENCY

Council relies primarily upon rates as the main funding source to deliver services and infrastructure for the community. As a Green Wedge municipality, Nillumbik does not have the same amount of commercial and industrial properties as other metropolitan municipalities. This means that Council relies upon residential rates to provide most of its revenue.

Nillumbik also has more residents per property than any other municipality in Victoria, with 2.7 residents per rateable property in Nillumbik (compared to a Victorian average of 1.8). This means that each property's rates need to provide funding to meet the service needs of 50 per cent more residents, when compared to an average property elsewhere in Victoria. As a result, rates per property in Nillumbik are higher than the median of other municipalities. However Nillumbik's level of rates per resident, and spending per resident are both less than the median for other municipalities.

## FINANCIAL SUSTAINABILITY PLAN TARGETS AND RESULTS

MEASURE	TARGET FOR NILLUMBIK	RESULT FOR 2014-2015	STATUS
<b>AUDITOR-GENERAL MEASURES</b>			
Overall sustainability assessment	Low risk/green light	Results for each ratio meet overall low risk/green light assessment	✓
Underlying Result ratio	> 0% (Low risk/green light)	10%	✓
Liquidity ratio	> 1.5 (Low risk/green light)	2.66	✓
Self-financing ratio	> 20% (Low risk/green light)	25%	✓
Indebtedness ratio	< 40% (Low risk/green light)	28%	✓
Capital replacement ratio	> 1.5 (Low risk/green light)	1.68	✓
Renewal gap ratio	> 1.0 (Low risk/green light)	1.15	✓

<b>OTHER MEASURES</b>			
Adjusted Underlying Result (excluding capital grants)	Surplus	Surplus	✓
Budgeted Rate Determination surplus	\$100,000 or higher	\$100,000	✓
Own source (rates) revenue allocated to capital works	>5% higher than previous year	The 2014-2015 Budget allocated \$6.02 million of own-source revenue to capital works. This was a 4.3% increase on the 2013-2014 allocation of \$5.775 million. Actual capex funded from own-source revenue at 30 June 2015 was \$2.82 million with the balance of \$3.2 million carried forward for projects to be completed in 2015-2016.	✗
Own source (rates) revenue allocated to capital works	> Depreciation by 2018-2019	2015-2016 Budget forecasts achievement of target by 2018-2019.	🎯
Asset Renewal Gap value (STEP 10 year gap)	Reduce from \$10m to zero by 2023	2015-2016 Budget forecasts achievement of target by 2019-2020.	🎯
Asset management plans updated and asset condition audits completed each year as per program in Asset Management Strategy	100% of annual program completed	Asset Management Plans were updated and approved by Council on 24 February 2015. Asset condition audits have been completed as per the Asset Management Strategy, with the audits for roads and buildings completed during 2014-2015.	✓

Achieved ✓ Partially achieved ➡ On target 🎯 Not achieved ✗

# SUSTAINABILITY REPORT

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

## ENVIRONMENTAL SUSTAINABILITY

### Managing our trees

Council consulted the community on its draft Tree Management Policy, which outlines Nillumbik's commitment to caring for the Shire's thousands of trees in line with public safety, conservation and tree health.

Council looks after around 500,000 trees across reserves, roadsides and other Council-owned or managed properties. Council is dedicated to protecting the Shire's biodiversity and keeping ecosystems healthy, resilient, productive and connected across our wonderful landscape.

Trees are an important characteristic of this landscape and play an important role in the quality of our environment and health and wellbeing of our community. The policy outlines how Council manages trees in line with best practice and relevant legislation.

### Protecting the Yarra

Lobbying by Council over many years came to fruition when the Planning Minister of the day, Matthew Guy announced a proposal for the introduction of changes to protect the Middle Yarra River from overdevelopment through proposed new riverside planning controls.

In a move welcomed by Council, the previous Minister said the proposed changes will introduce consistent height, setback and density controls to a 70 kilometre stretch of the Yarra, some of which runs through Nillumbik.

Nillumbik had been actively lobbying for tighter controls along the stretch of river which runs from Ivanhoe to Warrandyte for many years, so the release of this report which proposes to stop inappropriate development is a boon for this highly valued area. The Yarra River is significant, and should be prized not just for its environmental

and aesthetic qualities, but also for the recreational and cultural value it adds to our community.

### Edendale transformed

The completion of the first stage of the transformation of Edendale Farm Community Environment Centre was launched in September 2014.

Stage one works provided Edendale with an amphitheatre to support education and community activities; a Victorian-era garden around the heritage building; accessible pathways linking the car park to key buildings; enhanced open space suitable for picnics, casual visits and education programs; and the planting of more than 3,500 plants to enhance the appearance of the site.

The space is used by the community and schools through our education programs. The transformation has meant that Edendale is now accessible for all while maintaining the existing landscape and its natural charm.

### Rain garden

Work began on a rain garden or bio retention system on the vacant land located between the Diamond Valley Library and the Diamond Valley Sports and Fitness Centre, off Civic Drive, Greensborough.

A rain garden or bio retention system is designed using shallow depressions within the urban landscape to collect and treat stormwater. Treatment generally occurs as incoming stormwater is filtered through densely vegetated, biologically active sand and loam filter media.

As the water percolates through the filter media, pollutants are captured by fine filtration, absorption and biological processing by soil, microbes and plants. The filtered water is then captured through slotted pipes and conveyed to downstream drainage systems or waterways. A rain garden is generally dry outside a rain event.

# SUSTAINABILITY REPORT

## SOCIAL SUSTAINABILITY

### Headspace

Council was among the agencies who were very active in the campaign to get a local headspace centre for young people in the north-eastern suburbs of Melbourne in the lead up to the November 2014 State Election.

With 75 per cent of mental health disorders starting before the age of 25, agencies and councils across north-eastern Melbourne celebrated the announcement of a new Headspace centre in Greensborough due to open its doors in early 2016.

It's vital that mental health services can be provided to all but particularly young people. The opening of this centre clearly demonstrates that when agencies and councils work together they can make a real change to people's lives.

### Consultation on gambling

Council asked the community to have its say on pokie machines in Nillumbik in order to develop Council's position and policy on gambling.

Residents were asked to complete a quick online survey for their thoughts on pokie machines across Nillumbik and they were also invited to make formal submissions about what they would like to see in a future gambling policy for the community.

Nillumbik is in a unique position in regard to gambling, with a much smaller number of poker machines than other municipalities.

### Intergenerational housing

A reference group of interested community members was appointed for the Liveable Nillumbik intergenerational housing project located in Hurstbridge at the former secondary school site.

It has been earmarked for many years as being the ideal location in Nillumbik to provide some much needed accessible and diverse housing.

The Liveable Nillumbik Community Reference Group will play an important role in ensuring that the community and other interested groups can help inform Council's position on the diverse housing development due to take place in Hurstbridge.

The group of people chosen to be on the reference group is a good mix to ensure a wide range of views are taken into account.

## FINANCIAL SUSTAINABILITY

### Rate capping and budget priorities

Council began planning its consultation with the local community to determine its priorities for the delivery of services and infrastructure in the lead up to the introduction of the State Government's rate capping framework.

The Essential Services Commission (ESC) is creating a rate capping framework which will be introduced for local government in 2016-2017. This framework allows councils to apply for an exemption. An application for an exemption must have demonstrated community support.

Council is committed to undertaking a comprehensive and robust community engagement process with the local community about rate capping. An understanding of the community's views and priorities, particularly in the areas of future service delivery and infrastructure will be vital to ensure that Council makes well informed decisions about this important community issue.

### State Budget wins

Residents in Nillumbik will be reaping rewards from the Victorian State Budget with local roads and infrastructure projects being awarded much-needed funds.

Council welcomed the announcements from the Victorian State Government which identified Bolton Street in Eltham, Yan Yean Road in Plenty and the Interface Fund as projects to receive funding.

Councillors and senior officers met with all local MPs and candidates in the lead up to the State Election to outline the priority issues for our residents and the Green Wedge which included feedback from our community.

As a member of the Interface group of Councils, Nillumbik continued to meet with State Government Ministers throughout the year with regards to the Interface Fund to ensure that Nillumbik's voice was heard.

### Financial Assistance Grants

One important source of funding for Council is Financial Assistance Grants, which are funded by the Commonwealth Government and allocated by the Victoria Grants Commission. These grants provide more than \$3 million to Nillumbik each year for investment in services and infrastructure.

The Commonwealth Government announced in 2014 that the national pool of funds would be frozen for three years, rather than indexed to allow for inflation. This represents cost-shifting as the real value of the grant declines, and the difference has to be funded from rates. The Australian Local Government Association and the Municipal Association of Victoria are advocating for indexation to be restored, and Council is supporting this campaign in the interests of Nillumbik's ratepayers.



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# 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.

## 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.

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.

## 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.



# ABOUT COUNCIL



**Cr Helen Coleman**  
(Mayor)  
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 second as Mayor 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 to 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 the Municipal Association of Victoria (MAV) and Women's Health Victoria, is Metropolitan Vice President of the Australian Local Government Women's Association Victorian branch and is a member of the Minister for Local Government's Mayor's Advisory Panel.

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 Anika Van Hulsen**  
(Deputy Mayor)  
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 14 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 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.

# ABOUT COUNCIL



**Cr Michael Young**  
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. Cr Young was Mayor in 2011-2012 and 2013-2014.

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. 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 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. Cr Perkins was Mayor in 2012-2013. 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 volunteers 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 23 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.



**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.

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 2009-2010.

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.



**Cr Bronnie Hattam**  
elected 2004, elected 2012

☎ 0400 411 862  
✉ 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 about which Cr Hattam feels passionate 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 Street/Wycliffe Crescent, and bounded by Main Road, Allendale Road and Reynolds Road.



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 of 62,872 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 71 per cent of workers travel to their place of employment by car, either as a driver or passenger.

## 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 (13.7 per cent compared to 23.3 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 71.1 per cent, 21.1 per cent, and 7.2 per cent in the 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



NILLUMBIK'S NATURAL ENVIRONMENT IS CHARACTERISED BY STEEP RIDGES AND GENTLE SLOPING HILLS ENCLOSING PLAINS AND FLATS.

## 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](http://www.nillumbik.vic.gov.au)



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# OUR PEOPLE

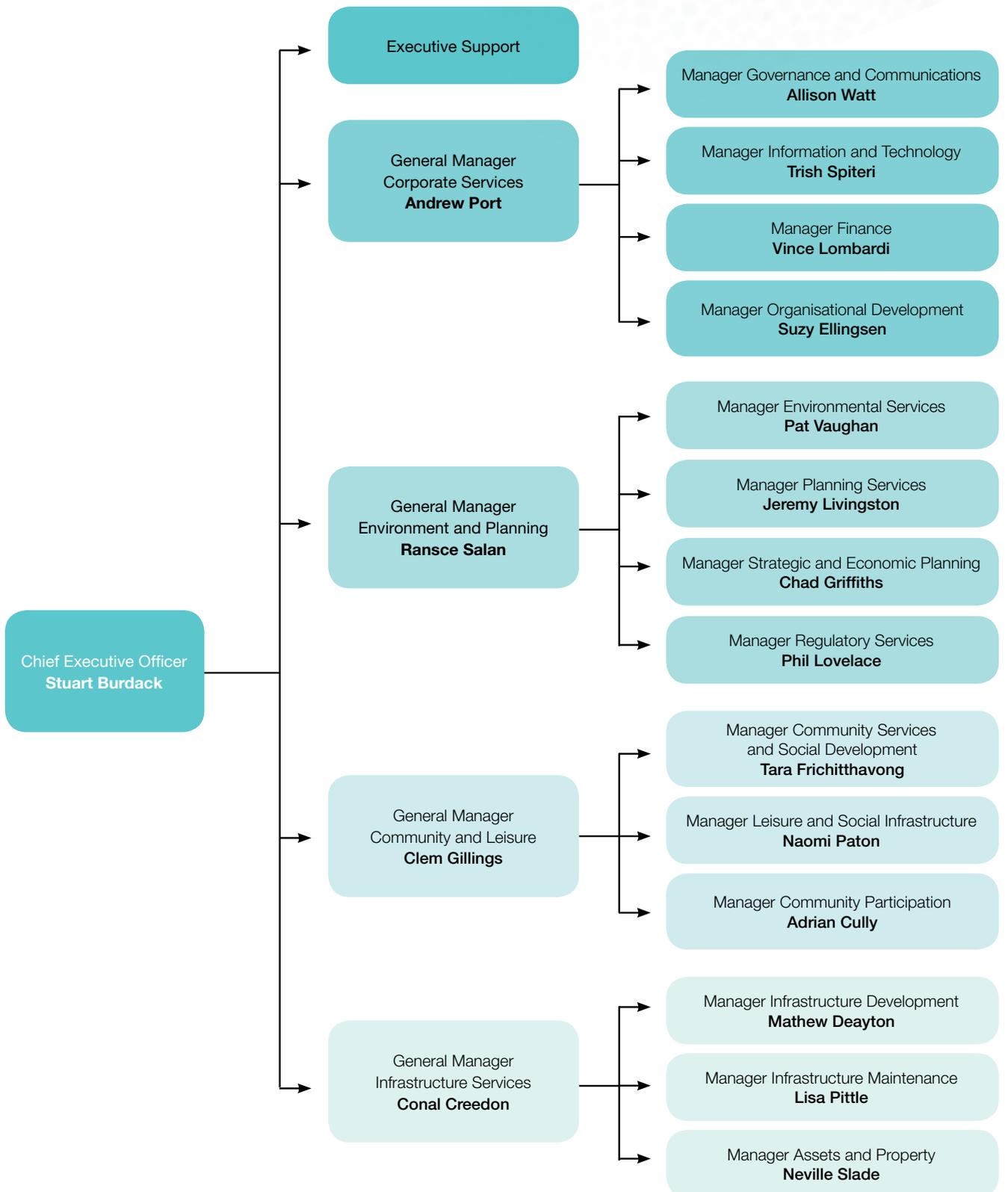
## ORGANISATIONAL STRUCTURE

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan 2013-2017.

				
<b>Stuart Burdack</b> <b>Chief Executive Officer</b>	<b>Senior officers reporting directly to the Chief Executive Officer:</b>			
	<b>Andrew Port</b> <b>General Manager Corporate Services</b>	<b>Conal Creedon</b> <b>General Manager Infrastructure Services</b>	<b>Clem Gillings</b> <b>General Manager Community and Leisure</b>	<b>Ransce Salan</b> <b>General Manager Environment and Planning</b>
<p>Stuart joined Nillumbik as Chief Executive Officer in August 2010 and was reappointed for a further five-year period early in 2015.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Andrew was appointed as General Manager Corporate Services in December 2007.</p> <p>He has been with Nillumbik since 2000 in his prior role as Manager Major Projects and Business Services.</p> <p>Andrew has 25 years' experience in Victorian local government including roles at the Cities of Boroondara and Camberwell.</p> <p>Andrew has a Bachelor of Business, Post-Graduate Diploma in Finance, MBA.</p> <p>Areas of responsibility:</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• Information Services</li> <li>• Organisational Development</li> <li>• Governance</li> <li>• Communications</li> <li>• Customer Service</li> </ul>	<p>Conal trained and worked as an engineer in Ireland before migrating to Australia.</p> <p>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.</p> <p>In addition to a Bachelor of Engineering, Conal holds postgraduate qualifications in Municipal Engineering and a Masters of Business Administration.</p> <p>Areas of responsibility:</p> <ul style="list-style-type: none"> <li>• Waste management</li> <li>• Open space, roads and drains</li> <li>• Emergency management</li> <li>• Assets and property</li> <li>• Infrastructure development</li> <li>• Environmental works</li> <li>• Transport and development</li> </ul>	<p>Clem has a broad range of experience at both local and state government levels.</p> <p>Prior to joining Nillumbik she was the Community Engagement Manager – North and West Metropolitan Team within the Department of Victorian Communities.</p> <p>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.</p> <p>Clem was a councillor with the Shire of Macedon Ranges for a number of years and held the position of Mayor in 2001.</p> <p>Areas of responsibility:</p> <ul style="list-style-type: none"> <li>• Arts, libraries, halls and community learning</li> <li>• Community and leisure facilities</li> <li>• Community inclusion and social development</li> <li>• Children's, youth and aged services</li> <li>• Edendale Farm</li> </ul>	<p>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.</p> <p>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 Practising Planner, Building Surveyor and Environmental Health Officer.</p> <p>Areas of responsibility:</p> <ul style="list-style-type: none"> <li>• Animal management and local laws</li> <li>• Environmental health</li> <li>• Statutory and strategic planning</li> <li>• Environmental planning</li> <li>• Economic development and tourism</li> </ul>

# OUR PEOPLE

## ORGANISATIONAL STRUCTURE



# OUR PEOPLE

## COUNCIL STAFF

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below.

EMPLOYMENT TYPE/GENDER	EXECUTIVE SERVICES FTE	CORPORATE SERVICES FTE	COMMUNITY AND LEISURE FTE	ENVIRONMENT AND PLANNING FTE	INFRASTRUCTURE SERVICES FTE	TOTAL
Permanent Full Time – Female	2.00	18.00	17.00	17.00	8.00	62.00
Permanent Full Time – Male	1.00	16.00	5.00	23.00	106.00	151.00
Permanent Part Time – Female	0.00	12.99	37.95	16.28	3.20	70.42
Permanent Part Time – Male	0.00	1.40	1.30	5.65	0.89	9.24
Temporary Full Time – Female	0.00	2.00	2.00	1.00	3.00	8.00
Temporary Full Time – Male	0.00	0.00	0.00	2.00	4.00	6.00
Temporary Part Time – Female	0.00	2.17	11.12	6.72	2.20	22.21
Temporary Part Time – Male	0.00	0.70	1.40	0.40	0.00	2.50
Casual – Female	0.00	0.09	0.24	0.10	0.01	0.44
Casual – Male	0.00	0.01	0.05	0.06	0.00	0.12
<b>Total</b>	<b>3.00</b>	<b>53.36</b>	<b>76.06</b>	<b>72.21</b>	<b>127.30</b>	<b>331.93</b>

## EMPLOYMENT TYPE BY GENDER AND DEPARTMENT

FTE	PERMANENT FULL TIME		PERMANENT PART TIME		CASUAL		TEMPORARY FULL TIME		TEMPORARY PART TIME	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Community and Leisure	5	17	1.3	37.55	0	0	0	2	1.4	11.2
Corporate Services	16	18	1.4	12.99	0	0	0	2	0	2.17
Environment and Planning	23	17	5.65	16.28	0	0	2	0	0	6.72
Executive Services	1	2	0	0	0	0	0	0	0	0
Infrastructure Services	106	8	0.89	3.2	0	0	4	3	0	2.2

# OUR PEOPLE

## EMPLOYMENT CLASSIFICATION AND GENDER

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

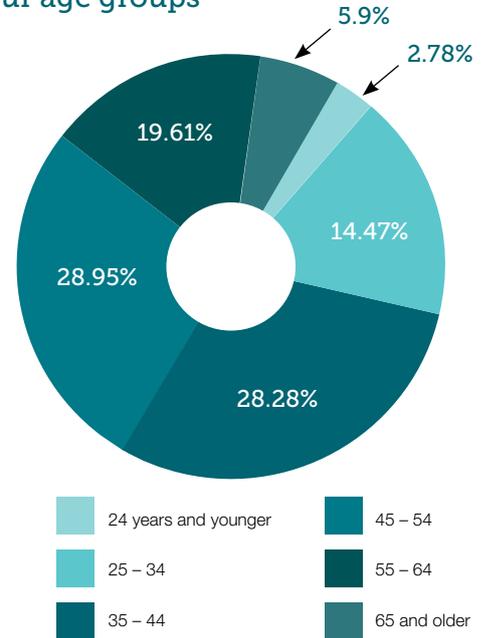
CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL FTE
Band Not Applicable	26.93	56.21	83.14
Band 1	4.91	4.01	8.92
Band 2	3.33	2.28	5.61
Band 3	1.94	47.01	48.95
Band 4	27.62	13.02	40.64
Band 5	39.69	22.92	62.61
Band 6	35.67	18.01	53.68
Band 7	15.66	5.4	21.06
Nurses	7.32	0	7.32
<b>Total</b>	<b>163.07</b>	<b>168.86</b>	<b>331.93</b>

Please note: Band NA includes annualised and contract staff

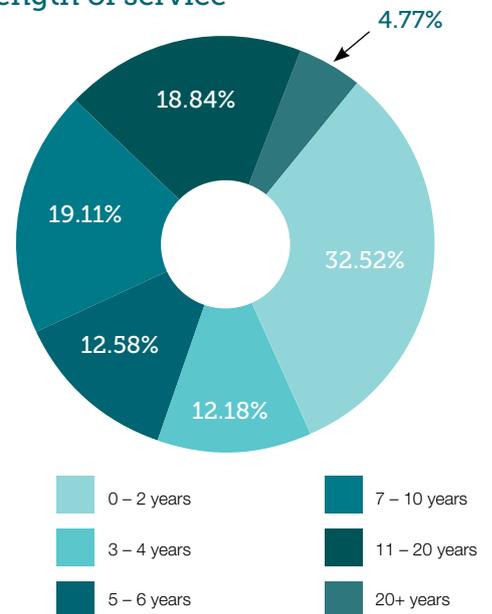
## Our workforce 2014-2015

Total staff	486
Total FTE	332
Turnover for 2014-2015 year	7.42%
Flexible Work Arrangements	116

## Our age groups



## Length of service



# OUR PEOPLE

## EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

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. Schedule 6, of the *Local Government Act 1989*, outlines that a council with 40 or more members of staff must have developed and implemented an equal opportunity program designed to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The indicators determined by Council’s Equal Opportunity Committee to measure the effectiveness of the program for the 2014-2015 financial year include:

INDICATOR	RESULT
The committee to meet quarterly as per the statutory requirements of the program.	The Equal Opportunity Committee met quarterly throughout the year to discuss proactive staff training, employment statistics and policy reviews.
Review of workplace demographics, wage equity and policy.	An annual action plan to identify policy updates, any EO preventative measures and training for the following year was developed by the EO committee and informed by the committee completing an annual review of workplace statistics, demographic and wage equity information.  Outcomes included reviewing maternity leave procedures and checklists for Managers and expectant staff and assisting in the review of the Social Media Policy.
The committee determined the following proactive training measures for the year. <ul style="list-style-type: none"> <li>• Appointing and training new contact officers</li> <li>• Update of the Contact Officer Reference Guide</li> <li>• Online Equal Opportunity training for all new staff</li> <li>• Face to face EO awareness training for the Operations Centre</li> <li>• Proactive information in the staff newsletter</li> </ul>	Three new contact officers were appointed during the year. Two of these officers received training during the year, one had received training previous to the year.  The contact officer reference guides were updated during the year.  Of the 17 new staff 100 per cent completed the online EO training for new staff.  Of the 95 staff employed in the Infrastructure Maintenance Unit, 81 per cent attended EO training.  Three of the five employee newsletters contained proactive EO related material.

## OTHER STAFF MATTERS

### Nillumbik Values and Behaviours

At 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.

The values are:

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

### Organisation Capability and Culture Strategy (OCCS)

The Organisation Capability and Culture Strategy complements the Council Plan 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 Nillumbik is 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 and

# OUR PEOPLE

related projects were reviewed during the year to assess priority and importance and ensure the organisation is continuing to build capability.

## Learning and Development

Information from employee development plans and discussions with management informed the development of the organisational training plan for the 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 latter of which is evaluated to determine how to improve future classes.

These programs offer staff the opportunity to build on skills in a number of critical areas such as business writing, presenting for impact, time and workload management, emotional intelligence, project management and leadership development, as well as compliance programs such as equal opportunity and occupational health and safety.

In recognition of the increasing occurrence of mental health issues in the community, Council offered a mental health first aid course for 24 staff. This was a new addition to the training calendar and was well received by participants.

To continue building a high performance leadership culture, the Leadership Development program focussed on building our leaders capability across a range of core leadership competencies identified in a training needs analysis.

The focus areas this year included performance management, emotional intelligence and communication skills for leaders. Also introduced this year was individual development plans to enable every leader to customise their learning plans to their individual skills gaps. There has also been a focus on workplace learning with the recognition that many skills are best developed or

refined in the workplace or through other forms of learning rather than in a formal classroom. This has also included the introduction to a new series of e-Learning options for leadership training.

## Project Management Framework

The Project Management Excellence program is now in a continuous improvement phase with incremental uptake and improvement in competency levels for projects across the organisation.

The Project Management framework is continually enhanced based on feedback from the project management community within Council. The framework has included the development and continuous improvement of:

- Training programs at basic, intermediate and advanced levels. Eleven staff successfully completed their Diploma of Management in December 2014.
- A project management portal with updated templates, guidance and examples.
- A support network of Project Management champions and mentors

Other improvements to the framework throughout the year included:

- A new project review and governance program with senior executive reviews of key projects
- Updates to the reporting process for tracking project health and status
- Linkage with a new community engagement framework being developed

## Recognising our people

During the year, Council acknowledged the continuous service of 41 staff from across all departments, who were recognised for achieving service milestones of between 10 and 30 years.

### Community and Leisure

<a href="#">Joel Watson</a>	10 Years
<a href="#">Joanne Skuse</a>	10 Years
<a href="#">Cheryl Davies</a>	10 Years
<a href="#">Dawn McDonnell</a>	10 Years
<a href="#">Desiree Smith Pain</a>	10 Years
<a href="#">Lindsay Round</a>	10 Years
<a href="#">Kathy Shackleton</a>	10 Years
<a href="#">Wendie Waghorn</a>	10 Years
<a href="#">Adrian Cully</a>	15 Years
<a href="#">Susan McCormick</a>	15 Years
<a href="#">Leonie Truffitt</a>	15 Years
<a href="#">Anne Murphy</a>	15 Years
<a href="#">Kenneth Wilson</a>	20 Years

### Corporate Services

<a href="#">Craig Commane</a>	10 years
<a href="#">Amanda Bradford</a>	10 years

### Environment and Planning

<a href="#">Jeremy Livingston</a>	10 years
<a href="#">Trevor Pereira</a>	10 Years
<a href="#">Helen Carl</a>	10 Years
<a href="#">Karen McPherson</a>	15 Years
<a href="#">Jennifer Cuxson</a>	15 Years
<a href="#">Chas McKinna</a>	25 Years

### Executive Services

<a href="#">Gail Thomas</a>	25 years
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### Infrastructure Services

<a href="#">Matthew Cornford</a>	10 years
<a href="#">Nadine Sinclair</a>	10 years
<a href="#">Nathan Rice</a>	10 years
<a href="#">Michael Brown</a>	10 years
<a href="#">Paul Mills</a>	10 years
<a href="#">Richard Tegerdine</a>	10 years
<a href="#">Gary Hocking</a>	10 years
<a href="#">Michael Carroll</a>	10 years
<a href="#">Joel Moxon</a>	10 years
<a href="#">Mathew Deayton</a>	15 years
<a href="#">Gary Roberts</a>	15 years
<a href="#">Atilla Sallantioglu</a>	15 Years
<a href="#">Glenn McDowell</a>	20 Years
<a href="#">Arthur Roberts</a>	20 Years
<a href="#">Chris Ryan</a>	20 Years
<a href="#">Daniel Hartigan</a>	20 Years
<a href="#">Graham Harper</a>	25 Years
<a href="#">Carl Wilson</a>	25 Years
<a href="#">Keith Gibson</a>	30 Years

# OUR PEOPLE

## Service Excellence Program

The Service Excellence Recognition Award program recognises the efforts of staff at all levels of the organisation, who demonstrate excellence in any of the four identified award categories.

Staff are encouraged to nominate colleagues who provide outstanding work in customer service and instil customer focused leadership; promote a high performing team culture and an organisational approach to delivering services; promote innovation and flexibility and staff who exhibit the organisational values and behaviours and positively contribute to the culture of the organisation.

The following employees received a Service Excellence Recognition Award:

### September 2014

[Aleisha Hayes – Seamless Service Delivery](#)

[Colin James – Continuous Improvement and Leadership](#)

[Holly Teagle – Collaboration and Communication](#)

[Lyn Jones – Quality Engagement](#)

### March 2015

[Andrea deBoer – Seamless Service Delivery](#)

[Leah Farrell – Continuous Improvement and Leadership](#)

[Kate Horan – Collaboration and Communication](#)

[Amber Smith – Quality Engagement](#)

## Cultural Vitality

In 2012, Nillumbik introduced a cultural vitality survey program to measure organisational wellbeing and improve productivity. As part of the program, Council introduced a facilitative leadership action planning process to empower local work groups to identify issues within the workplace and enable problem solving at local levels.

Research suggests that higher levels of wellbeing deliver higher levels of discretionary effort, higher rates of productivity, better OHS outcomes, lower staff turnover and higher retention. In early 2015, Council conducted a mini survey to measure and test the effectiveness of improvements in targeted areas of the survey. The results continue to show overall improvement across Council.

## Working together – Enterprise Agreement

Some 96 per cent of Council staff are covered by an enterprise agreement. Nillumbik Shire Council Enterprise Agreement No.6 expired on 30 June 2014. During the year, an enterprise bargaining working group comprising management, staff representatives and union delegates negotiated a new Enterprise Agreement which was successfully lodged and approved with 94 per cent of staff ballots voting to endorse the agreement.

Nillumbik Shire Council Enterprise Agreement No. 7 is now in effect and will expire on 30 June 2017.

## Employee Code of Conduct

Council's Employee Code of Conduct was developed in accordance with requirements in the *Local Government Act 1989* 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 requirements for a Code 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. During the year, the Code of Conduct was updated to provide further clarity relating to Conflicts of Interests and avoiding these conflicts in the workplace.

## 2015 LGMA Management Challenge

Nillumbik continued to support staff participation in the Local Government Management Challenge in early 2015. The program develops participants' skills and provides networking opportunities with peers. Challenge activities draw heavily on negotiation, leadership, communication, strategy analysis and advocacy skills and provides professional development opportunities for individuals resulting in team and organisational benefits.

Prior to the regional Challenge, teams undertake a pre-challenge task which is related to real, topical issues to help them understand each other's strengths and develop strategies for the Challenge.

On the day of the Challenge, participants are presented with a number of issues and asked to respond in a creative, fast-paced and highly collaborative environment.

In March 2015, the following employees were nominated to represent Nillumbik Shire Council to participate in the LGMA challenge:

- Leah Farrell – Environment and Planning
- Jac Torres-Gomez – Community and Leisure
- Christine Hadden – Infrastructure Services
- Erin Monagle – Corporate Services

## OUR PEOPLE

- Matthew Theuma – Infrastructure Services
- Toni Davies and Suzanne Rouvray – mentors

### Achievement Personal and Business Development Program

Each year, Council provides an opportunity for selected 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 and knowledge in areas such as leadership models, leadership and change, working effectively in teams, managing organisational complexity, conflict resolution and HR management. Staff members who took part were Ben Pollard (Community Development Coordinator), and Maggie Clark (Living & Learning Coordinator).

### 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. This service also extends to providing a 'manager assist' and 'career assist' service.

Informative newsletters and tip sheets have been promoted to all staff throughout the year.

### WorkCover

Council is committed to managing the health and safety of its employees, and ensuring that the management of claims and return to work programs meets legislative requirements.

Council's WorkCover claims performance at year end was 2.56 per cent better than the industry average for Victoria.

### Safety, Health and Wellbeing

Council is committed to fulfilling its moral and legal responsibilities under the relevant State and Federal 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 with one audit being undertaken in the 2014-2015 year. The positive result of the audit demonstrates continuous improvement by management on Council's safety performance and commitment to retaining SafetyMAP, as an important strategic indicator of risk management performance.

Council's OHS Committee meets regularly. Health and safety representatives are both willing and actively involved with resolving occupational health and safety issues that may arise within their workplace.

In late 2014, a commitment to focus on health and wellbeing was made. A health and wellbeing committee was created and a survey conducted which gave all staff an opportunity to provide input on a number of health and wellbeing related issues such as food and nutrition, exercise, smoking and alcohol consumption. The results of the survey, in addition to other relevant data informed the priority areas for health and wellbeing programs at Nillumbik in the coming years.

A staff health and wellbeing intranet site is planned to provide staff with key information relating to health and wellbeing.

### Volunteers

Nillumbik Shire Council recognises and values the dedication and commitment of volunteers who work within Council programs and throughout the wider community.

More than 22 per cent of the population is involved in some form of voluntary work which contributes to the economic, social, cultural and environmental wellbeing of the shire.

Council has more than 500 volunteers contributing over 19,000 hours per year to Council services and programs including:

- Deliver meals to local residents
- Help young people achieve their 120 hours driving experience
- Regenerate and maintain environmental reserves
- Provide one-on-one support for parents
- Deliver educational and special interest short courses
- Provide transport options for the young through to the elderly
- Support several festivals and events
- Share their expertise as members of an advisory committee or reference panel and
- Welcome visitors to Edendale

Over the past 12 months Council has continued to promote and grow its volunteer workforce, resulting in a seven per cent increase in volunteer participation. This significant increase is the result of the development of new and innovative programs and the ongoing promotion of existing Council programs.

During National Volunteer Week in May, Council, in partnership with Volunteering Victoria, launched the *Imagine Nillumbik without the Power of Volunteers* campaign, highlighting and promoting the great work Council volunteers do to support and enhance the local community. Council also celebrated volunteer contribution by creating and displaying a digital volunteer honour board, featuring more than 50 enthusiastic volunteers.

On Australia Day, Ron Mendelsen, a much-loved and long-serving volunteer was awarded the Volunteer of the Year award. Ron is one of the many dedicated community transport volunteer drivers who assist residents with their transport needs.

Council is committed to delivering a best practice framework to better support volunteers who assist Council in service delivery. This framework aims to enhance and improve the volunteer experience so that volunteers can deliver exceptional service to the community.

# ANNUAL COMMUNITY SURVEY



RESIDENTS ARE MOST SATISFIED WITH THEIR LOCAL LIBRARY, SERVICES FOR CHILDREN, SPORTS OVALS, REGULAR RECYCLING AND GREEN WASTE COLLECTION.

## LOCAL RESIDENTS' SATISFACTION WITH COUNCIL'S OVERALL PERFORMANCE IMPROVED OVER THE YEAR WITH THE RESULTS OF THE 2015 ANNUAL COMMUNITY SURVEY SHOWING A 12 PER CENT INCREASE ON THE 2014 RESULT.

The Annual Community Survey, conducted on Council's behalf by Metropolis Research, involved face-to-face interviews in November and December 2014 with 500 randomly-selected residents from across five precincts of the Shire including Greensborough, Diamond Creek, Eltham, Eltham North and rural townships.

The survey found that the Nillumbik community considered Council's performance across all areas of responsibility or overall performance to be 'good' at 6.90 out of 10. This is an increase on the 2014 result of 6.16.

Residents' satisfaction with the 27 Council services and facilities included in the survey rose to 'very good' with a result of 7.38 out of 10, up 7.1 per cent on the 6.89 recorded in 2014.

Residents are most satisfied with their local library, services for children aged 0-5 years, sports ovals, regular recycling and green waste collection. However, they are least satisfied with traffic management, public toilets, footpath maintenance and repairs, maintenance and repairs of sealed local roads and parking enforcement.

The survey is designed to measure community satisfaction with a range of Council services and facilities and to measure community sentiment on a range of additional concerns in the community.

The average satisfaction with the seven aspects of governance and leadership – meeting environmental responsibilities; seeking community opinion and feedback; consultation and engagement; responsiveness to community needs; representation, lobbying and advocacy; maintaining trust and confidence and making decisions in the interests of the community – is rated at 6.91 out of 10, an increase of 10 per cent on the 6.29 average recorded in 2014.

The average satisfaction with seven aspects of customer service increased by 2.6 per cent from 7.33 out of 10 in 2014 to 7.52 and remains categorised as 'very good'.

Average satisfaction with the seven aspects of the planning approvals process increased measurably from 6.06 out of 10 in 2014 to 6.52, an increase of 7.6 per cent which takes the rating from 'solid' to 'good'.

The survey also reports on safety in public areas in Nillumbik; housing-related financial stress and traffic and parking.

Traffic management is the most common issue that residents want Council to address with it being identified by 32.8 per cent of survey respondents, up marginally from 27 per cent in 2014. Council rates, rubbish and waste issues, road maintenance and repairs and parks, gardens and open space were the other top issues identified.

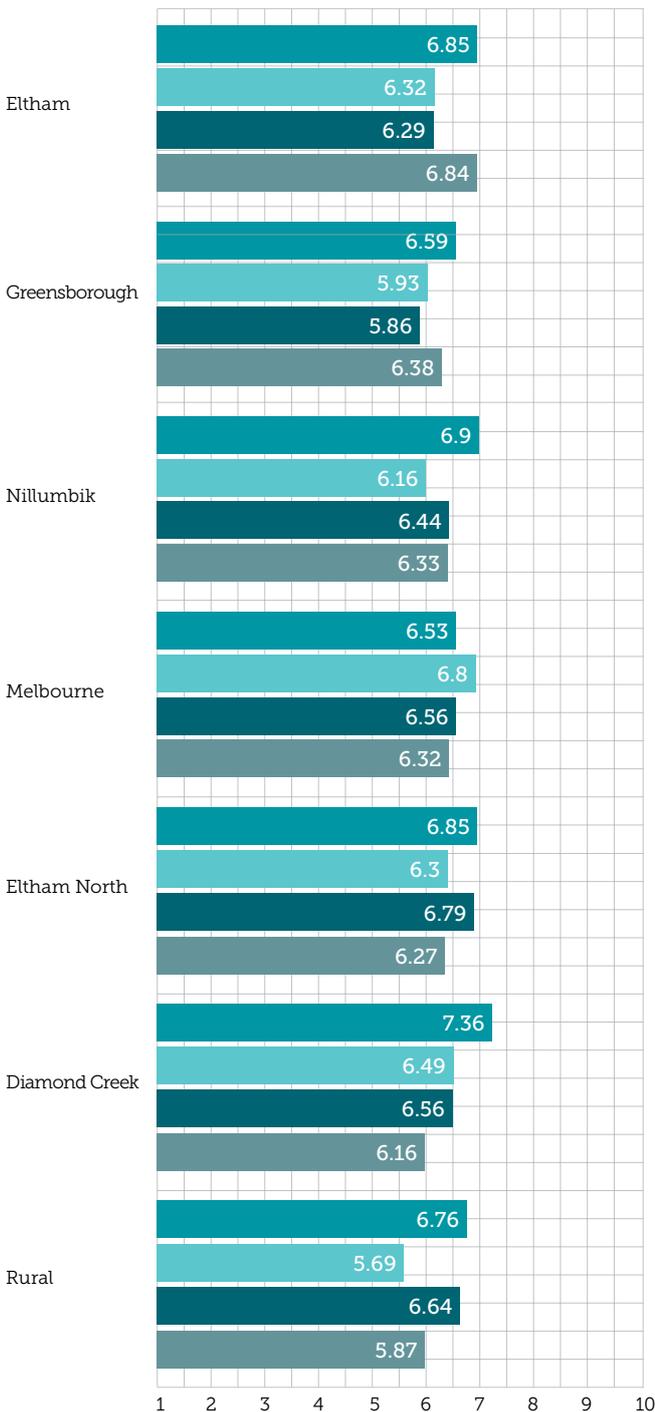
# ANNUAL COMMUNITY SURVEY



\* Score out of 10

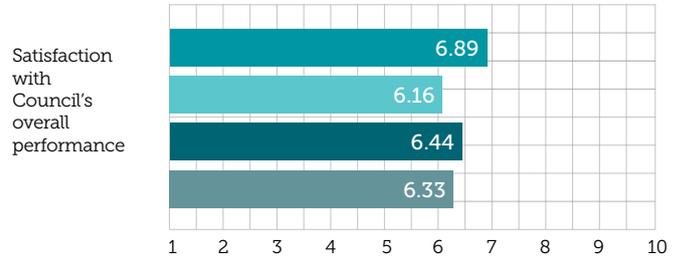
## Overall satisfaction by precinct

Annual Community Survey results



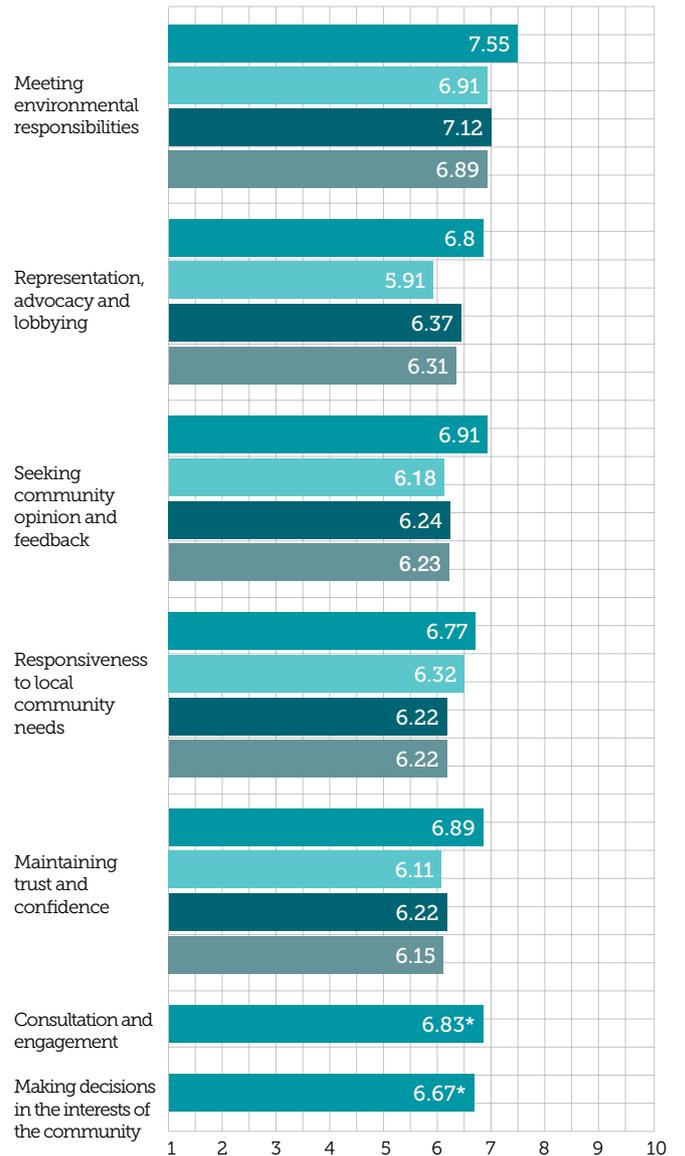
## Satisfaction with Council's overall performance

Annual Community Survey results



## Satisfaction with aspects of governance and leadership

Annual Community Survey results



\* New questions in 2015.

## ADVOCACY REAPS REWARDS



COUNCIL'S ADVOCACY CAMPAIGN RESULTED IN \$3 MILLION BEING AWARDED FOR THE REDEVELOPMENT OF AQUATICS AT THE ELTHAM LEISURE CENTRE.

### COUNCIL'S ADVOCACY CAMPAIGN FOR A BETTER DEAL FOR NILLUMBIK IN THE LEAD UP TO THE NOVEMBER 2014 STATE ELECTION, CONTINUED IN THE 2014-2015 FINANCIAL YEAR.

The campaign resulted in local road and infrastructure projects being awarded much-needed funds. They included:

- planning improvements to Bolton Street in Eltham
- the duplication of Yan Yean Road from Diamond Creek Road to Kurrak Road
- Funds for facilities at Eltham North Reserve
- \$3 million for the redevelopment of aquatics at the Eltham Leisure Centre.

Funds have also been committed to reopening Greensborough TAFE and continuing support for Local Learning and Employment Networks.

Councillors and senior executives met with all local MPs and candidates last year to outline the priority issues for our residents and the Green Wedge which included feedback from our community.

Nillumbik was an active participant in the Fairer Funding Campaign conducted by the 10 Interface Councils on Melbourne's fringe in the lead up to the election.

The campaign sought a dedicated pool of funding for the Interface which is

experiencing high growth, community infrastructure renewal needs and Green Wedge management responsibilities.

The Mayor and CEO continued to meet with State Government Ministers throughout the year with regards to the Interface Fund to ensure that Nillumbik's voice was heard.

The \$50 million Interface Growth Fund was announced by the Minister for Local Government, Natalie Hutchins, in early July and aims to support the Interface Councils by accelerating critical community infrastructure that improves the economic and community development, liveability and resilience of these communities. The fund is open for the 10 Interface councils to apply.

Council endorsed funding applications to the Interface Growth Fund for Eltham Leisure Centre renewal, Diamond Creek Activity Centre upgrades, Eltham Community and Reception Centre upgrades and Greensborough Civic Precinct open space upgrades.

Council will continue to advocate for the Interface Growth Fund to become a recurrent State Government program.

# 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 ON 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. It 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 rates brochure, Disability Action Plan and Liveable Nillumbik bulletins 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 84 media releases issued last year.

## Digital

Council's website attracted 162,837 users last year with 775,402 pages viewed, an increase of 14 per cent and eight per cent on the last financial year.

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 they bins are to be collected. A lot of work was done to make the documents available on our website accessible, in line with Federal guidelines.

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 early in the new financial year. A number of different hard copy and electronic newsletters are distributed by Council including:

- Arts
- Leisure
- Family and Children Services
- Edendale
- Environment
- Aged

More than 40 e-newsletters were issued last year to more than 39,000 people.

Council has grown its presence in the social media sphere in the past 12 months with an increase from 212 to 1,108 'likes' on the corporate Facebook Page. At the end of June 2015 there were 1,229 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. Council now has five new Facebook accounts for:

- Edendale
- Family and Children Service
- Hurstbridge Community Hub
- Arts
- Youth

## Community Engagement

A new Community Engagement Policy was developed during the year and released by Council for public comment in May.

The Policy is Council's public commitment to providing good governance and the delivery of high quality local services by fostering democratic representation, social inclusion and meaningful community engagement with its citizens.

It is a short document which details:

- A definition of community engagement using the International Association of Public Participation (IAP2) Public Participation Spectrum
- A statement of Council's commitment to community engagement
- Community engagement principles
- The issues Council will engage on
- An infographic about how Council will develop a community engagement plan

# COMMUNICATIONS AND COMMUNITY ENGAGEMENT

The Policy will be supported by an internal working document or 'how to' guide which will provide guidance and take staff through the relevant steps in developing a community engagement plan.

Both the Policy and the 'how to' guide have been developed by an internal working group, using the best practice approach used around the world by IAP2.

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.

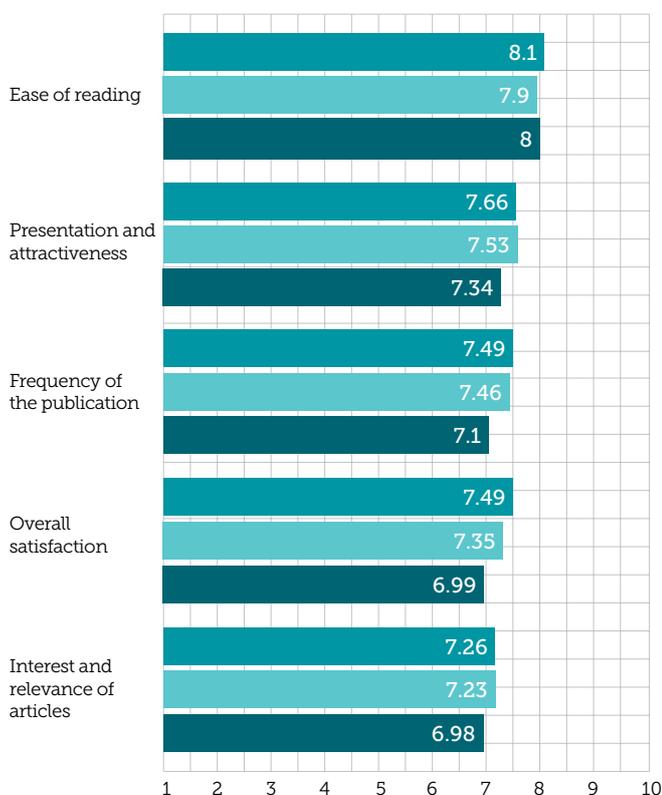
Some of the many ways in which Council engages with its community are:

- 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 16 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

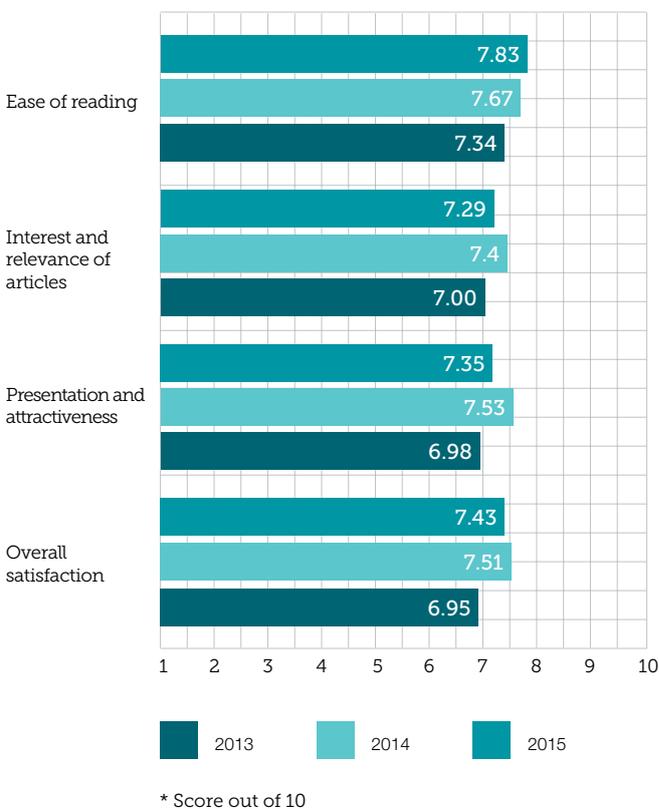
## Satisfaction with aspects of *Nilumbik News*

Annual Community Survey results



## Satisfaction with aspects of Council website

Annual Community Survey results





# OUR PLANNING AND ACCOUNTABILITY FRAMEWORK

## 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 was an important input to the development of the Council Plan 2013-2017.

## Council Plan

The Council Plan 2013-2017 was the key strategic document guiding the direction of the Council during 2014-2015.

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 and reviewed most recently in May 2015.

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.

- Our Community
- Our Natural Environment
- Our Built Environment
- Our Economy
- 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 2014-2015 Annual Report is reporting against the second year of the Council Plan 2013-2017.

The Council Plan can be viewed on Council's website [www.nillumbik.vic.gov.au](http://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.

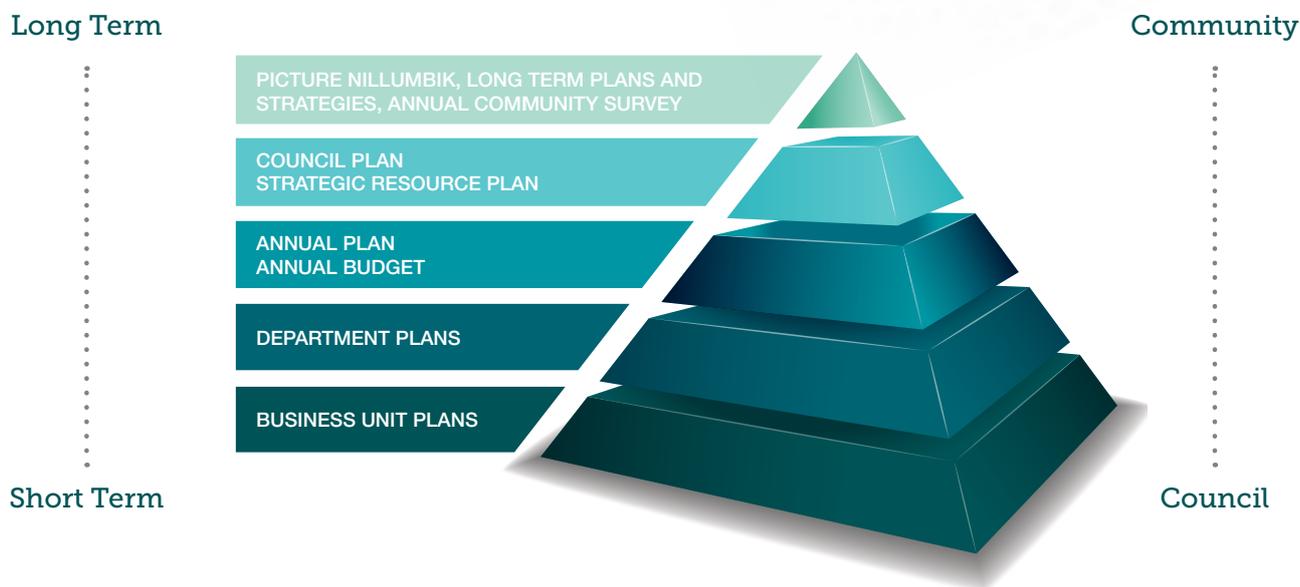
## Budget

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.

# OUR PLANNING AND ACCOUNTABILITY FRAMEWORK

## Nillumbik's planning framework



### Department Plans

Department Plans are developed annually by each of 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 2014-2015

POLICIES, STRATEGIES AND PLANS	ADOPTED
Service Excellence Charter	15 July 2014
Nillumbik Integrated Transport Statement	29 July 2014
Recognition and Bereavement Policy	29 July 2014
Nillumbik Art Collection Policy 2014-2017	25 November 2014
Procurement Policy and Guidelines	16 December 2014
Risk Management Policy and Framework	16 December 2014
Asset Management Policy and Strategy	24 February 2015
Building, Drainage, Reserves and Road Asset Management Plans	24 February 2015
Domestic Wastewater Management Plan 2015-2018	14 April 2015
Nillumbik State of Environment Report	28 April 2015
Meeting Procedure Local Law	28 April 2015
Rate Capping Community Engagement Plan	26 May 2015
Council Plan 2013-2017	26 May 2015
Governance Code (incorporating the Councillor Code of Conduct)	26 May 2015
Budget 2015-2016	23 June 2015
Local Government Performance Reporting Framework Policy	23 June 2015
Nillumbik Community Garden Policy and Guidelines	23 June 2015

# COUNCIL PLAN 2013-2017

The Council Plan 2013-2017 includes strategic objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the five strategic objectives detailed in the Council Plan.

## COUNCIL PLAN GOAL

### OUR COMMUNITY



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

### OUR NATURAL ENVIRONMENT



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



## OUR BUILT ENVIRONMENT

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



## OUR ECONOMY

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



## OUR COUNCIL

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

## PERFORMANCE

Council's performance for the 2014-2015 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the Council Plan 2013-2017. Performance has been measured as follows:

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



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

# OUR COMMUNITY

## 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

- 11,056 delivered meals
- 581 birth notifications
- 599 inspections of registered premises
- 3,764 enrolments in Living & Learning Centre courses and activities
- 8,293 direct contacts with young people
- 15,640 active library members
- 11,898 dogs registered
- 3,505 cats registered
- 110 children from 79 families accessing Family Day Care
- 92 children from 73 families accessing Panton Hill Playhouse
- 103 children from 86 families accessing Eltham Playhouse
- 10 tobacco education visits undertaken and 76 tobacco test purchases made

**335,360**

visits to Eltham and Diamond Valley libraries

**1,647,136**

visits to six major recreation facilities

**4,622**

immunisations administered at 69 public sessions and seven schools

**25,433**

hours of home and community care delivered

**11,255**

participants in environmental education programs at Edendale

**156,661**

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

# OUR COMMUNITY



TWO DEDICATED OFF-LEASH DOG PARKS AT DIAMOND CREEK AND HURSTBRIDGE WERE OPENED TO MEET GROWING DEMAND FOR SAFE AND ACCESSIBLE PLACES TO EXERCISE DOGS.

## ACHIEVEMENTS

### Dog parks

Two dedicated off-leash dog parks at Diamond Creek and Hurstbridge were constructed and opened to pet owners to meet growing demand and community expectations for safe and accessible places to exercise dogs.

Residents and their dogs now enjoy each of the parks which comprise half a hectare of open space secured by galvanised fencing, and incorporating different activity zones, including climbable landscape features, education areas equipped with built-in agility training equipment and separate small dog areas.

### Headspace

Council took a lead role in facilitating an advocacy partnership with neighbouring municipalities and youth agencies to get a *headspace* centre located into Greensborough for young people in the north-east of Melbourne.

Funding to establish a *headspace* centre in Greensborough in 2016 was announced by the Federal Minister for Health – the only metropolitan location in Victoria.

### Child care operator

Council appointed Early Childhood Management Services (ECMS) to manage long day care and occasional care services at the Hurstbridge Hub and both services became operational in March.

### Bell Street parkland

A wide, shared concrete path was constructed, extending from the pedestrian bridge in Bell Street, Eltham, to the existing concrete path next to the Eltham Leisure Centre. A retaining wall was also installed.

### New playing surface

Work to install a new playing surface on the Cracknell Reserve oval in Panton Hill was completed. Other improvements included new drainage and a sub-surface irrigation system.

### HACC services

Council delivered 25,433 hours of home and community care 11,056 meals to eligible frail, aged and disabled residents.

### Home visits

Council received 581 birth notifications for the financial year – a five per cent decrease on the previous year – and Maternal and Child Health nurses made 580 first home visits to new babies, almost 100 per cent.

### Health inspections

A total of 599 inspections of all registered businesses were undertaken throughout the year in accordance with statutory requirements in the *Food Safety Act* and *Public Health and Wellbeing Act*.

### Cultural Plan 2011-2017

There were a number of cultural activities conducted throughout the year including:

- A reinvigorated Alan Marshall Short Story Awards to honour the 30th year of the award with a 23 per cent increase in entries
- Installation of Centenary of Anzac signs
- A new performing arts program *Watch This Space*
- An exhibition of the Nillumbik art collection *Collective Urge*

# OUR COMMUNITY

## Participation and learning

There were 3,764 enrolments in courses and activities provided by Living & Learning Nillumbik.

There was an 80 per cent increase in the number of participants (11,255) taking part in environmental education activities at Edendale Farm.

There are 15,640 active members of the Eltham and Diamond Valley library branches.

## CHALLENGES

### Diamond Creek Community Centre

The Diamond Creek Community Centre masterplan was exhibited for public comment from February to May 2015 and Council will be briefed on the submissions received in the next financial year. Design will begin once the masterplan has been endorsed by Council.

### Aquatic attendance

Visitor numbers to four of Council's six major leisure facilities increased during the year. Attendance was down almost 14 per cent at the Eltham Leisure Centre due to competition from the nearby WaterMarc in Greensborough, the condition of the ageing facility and the impending upgrade works.

Attendances at the Yarrambat Park Golf Course also decreased slightly.

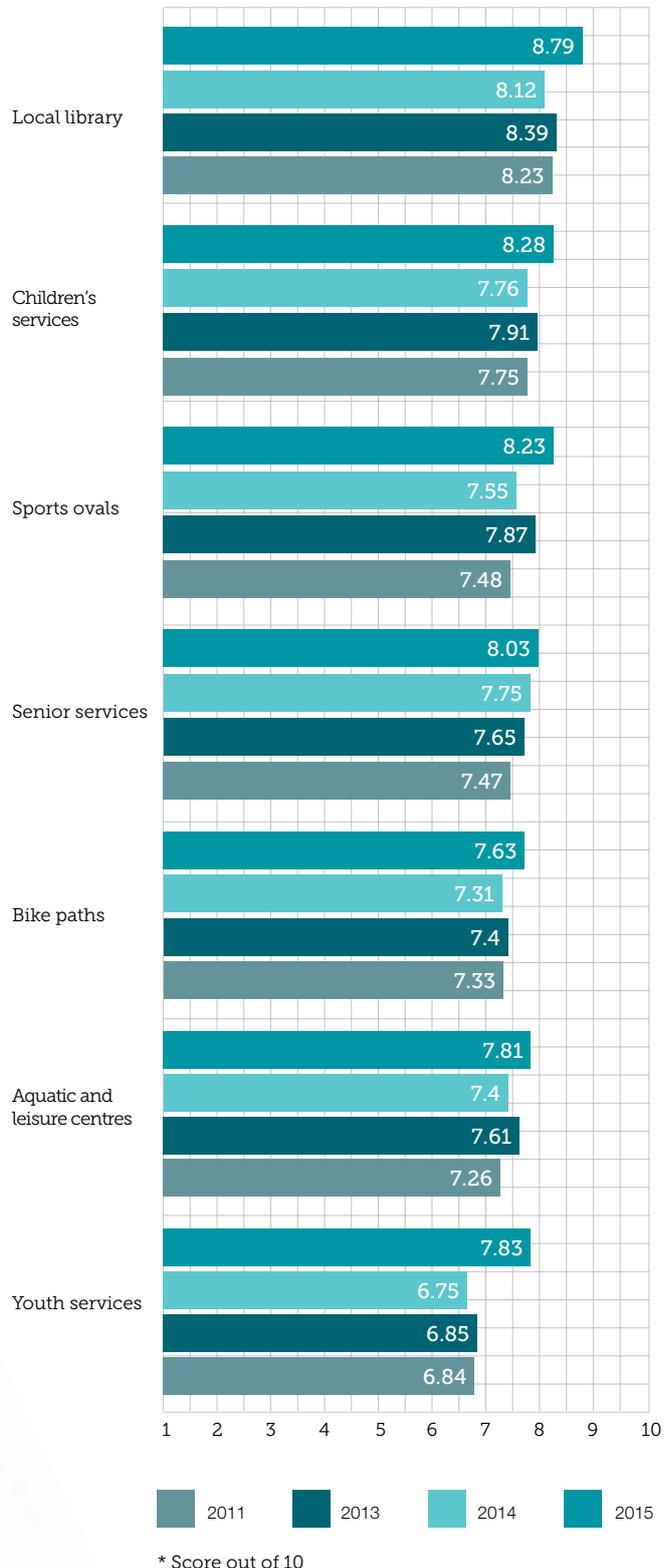
## THE YEAR AHEAD

### Eltham North Reserve

A feasibility study into pavilion facilities at the Eltham North Reserve will be finalised with a view to beginning detailed design by June 2016.

## Satisfaction with community and leisure services

### Annual Community Survey results





THERE WAS 3,764 ENROLMENTS IN LIVING & LEARNING CENTRE COURSES AND ACTIVITIES THROUGHOUT THE YEAR.

## HOW WE PERFORMED AGAINST THE COUNCIL PLAN

The following statement reviews the performance of Council against the Council Plan 2013-2017 including the results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR	RESULT	COMMENT
Achieving a certificate of audit for complying with the guidelines for a Municipal Emergency Management Plan.	✓	Council's Municipal Emergency Management Plan is audited every three years. Best practice was achieved during the last Audit in April 2014. It is scheduled to be audited again in early 2017.
Increased satisfaction with access to community services as measured through the Annual Community Survey.	✓	There was an increase in satisfaction with all seven service areas from 2014-2015 (see graph page 45). Six services are categorised as 'excellent' and one rated as 'very good'.
Perception of safety in public areas as measured through the Annual Community Survey.	✓	The perception of safety in the public areas of the Shire of Nillumbik remains high in 2015: <ul style="list-style-type: none"> <li>• During the day 89.8 (out of 100)</li> <li>• In and around activity centres 82.5</li> <li>• Travelling on trains 76.8</li> <li>• At night 75</li> </ul>
Percentage of the municipal population that are active library members.	✓	15,640 residents, or 25% of the population, are active library members. There were 335,360 visits to the Eltham and Diamond Valley libraries.
Number of visits to aquatic facilities per head of municipal population.	✓	There were 262,814 visits to aquatic facilities or 4.18 visits per head of population.
High participation rates in non-aquatic recreation facilities, Living and Learning programs and arts and culture programs.	✓	<ul style="list-style-type: none"> <li>• 1,647,136 visits to six major recreational facilities</li> <li>• 3,764 enrolments in Living &amp; Learning Centre courses and activities</li> <li>• 11,255 participants in environmental education programs at Edendale</li> </ul>
High participation rates in preschools.	✓	<ul style="list-style-type: none"> <li>• 647 children enrolled in preschool</li> <li>• 110 children from 79 families accessing Family Day Care</li> <li>• 92 children from 73 families accessing Panton Hill Playhouse</li> <li>• 103 children from 86 families accessing Eltham Playhouse</li> </ul>
Percentage of children enrolled who participate in the MCH service.	✓	76% or 2,085 children participated out of 2,570 enrolled, meeting the target of 80-100%. 546 infants were enrolled from 581 birth notifications.

Achieved ✓ Partially achieved → On target 🎯 Not achieved ✗

## BUDGET 2014-2015 MAJOR INITIATIVES

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
<b>Aqueduct Trail maintenance</b> Actual \$24,541 Budget \$25,000	Pine trees were removed and blackberry and other weeds treated in line with the Land Management Plan for the trail prepared by Ecological Perspectives.
<b>Immunisation services review</b> Actual \$9,700 Budget \$5,000	The initial review was completed and made recommendations that further investigations be undertaken to determine the best arrangement for the Immunisation Service. These investigations are currently underway.
<b>Dog Parks</b> Actual \$26,000 Budget \$26,000	Two dedicated off-leash dog parks were constructed at Diamond Creek and Hurstbridge.
<b>Athletics track in Nillumbik</b> Actual \$13,200 Budget \$15,000	Council was briefed in June on the outcomes of the feasibility study. A report was due to be presented to Council in July.
<b>Community transport</b> Actual \$49,123 Budget \$50,000	Demand for the community transport service is very high and the system operates near capacity. A total of 1,010 passenger trips were delivered with the majority of passengers being frail elderly, with over 70% aged over 85 years. Volunteer drivers spent 1,277 hours delivering community transport.
<b>Community development officer</b> Actual \$68,628 Budget \$64,000	Some programs and projects implemented as a result of this initiative include Men's Shed Gathering to provide foundation for Shire wide network; strategic support to festival committees to maximise community outcomes; implementation of a new community grants model.
<b>Health and Wellbeing Plan implementation</b> Actual \$73,477 Budget \$40,000	A Gambling Discussion Paper was completed and the preparation of a draft Gambling Policy is underway and due for Council consideration in September 2015. A public consultation process on the discussion paper is complete and an outcomes report is due to Council on 21 July 2015.
<b>Cultural Plan Year 4 implementation</b> Actual \$56,277 Budget \$30,000	There were a number of cultural activities conducted throughout the year including: <ul style="list-style-type: none"> <li>• A reinvigorated Alan Marshall Short Story Awards to honour the 30th year of the award with a 23 per cent increase in entries</li> <li>• Installation of Centenary of Anzac signs</li> <li>• A new performing arts program Watch This Space</li> <li>• An exhibition of the Nillumbik art collection Collective Urge</li> </ul>
<b>Playgrounds Strategy</b> Actual \$251 Budget \$30,000	This project was delayed due to resourcing and capacity.
<b>Major Leisure Centres contract specifications</b> Actual \$30,457 Budget \$40,000	New tender specifications for the major leisure facilities contracts were developed. Tenders were finalised with new contracts commencing 1 July 2015.
<b>Hurstbridge Intergenerational Housing Project</b> Actual \$29,910 Budget \$40,000	Liveable Nillumbik milestones achieved include the purchase of the land, progression of the land rezoning and sale of land processes, public consultation and panel hearings, regular reporting to Council and the appointment of a Community Reference Group.
<b>Eltham Leisure Centre aquatic facilities upgrade – grants submission</b> Actual \$5,921 Budget \$20,000	State Government funding of \$3 million received.

## BUDGET 2014-2015 MAJOR INITIATIVES

MAJOR INITIATIVES	PROGRESS
<b>Diamond Creek Trail – concept plan and cultural heritage study</b> Actual \$82,179 Budget \$130,000	Council was briefed on the progress of the project in June. A confidential report will be presented to Council in July to consider the next stages of the trail project.
<b>Eitham North Reserve pavilion – design</b> Actual \$9,180 Budget \$20,000	A feasibility study guiding the redevelopment of cricket, soccer and scouting facilities at Eitham North Reserve commenced. Investigations will inform the proposed facility concept plan as the basis for community consultation, and State Government and Council consideration and approval in 2016.
<b>Community and Leisure Services project coordination</b> Actual \$54,677 Budget \$83,000	This position was responsible for implementing the Edendale Masterplan, Diamond Creek Community Centre Masterplan and Northern Regional Trails Project.

## BUDGET 2014-2015 FUNDED SERVICES

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Aged Services</b>	Aged Services plan and deliver services for our ageing community.	2,393	(1,619)	775
<b>Animal Management</b>	The Animal Management Unit works under the required legislative framework to protect the welfare of animals, their owners and the community.	117	(21)	95
<b>Arts and Cultural Services</b>	The Arts and Cultural Services unit is responsible for the cultural vitality and community engagement in the arts across for the municipal community as a whole.	814	(189)	384
<b>Community Facilities and Halls Network</b>	The Community Halls Network manages a diverse range of quality, easily accessible and reasonably priced venues that are available for the social, educational, artistic, leisure and commercial pursuits of the whole community.	572	(189)	384
<b>Leisure Services</b>	This program is responsible for four key areas of services delivery – facility management, facility development, leisure planning and community development for the whole community.	509	(284)	225
<b>Community Development and Place Management</b>	This activity facilitates connections and structures across the whole community and Council that enable communities to respond to change and emerging opportunities. This includes Metro Access and inclusion (relating particularly to disability inclusion), volunteer development and community transport and place management.	973	(111)	861

## BUDGET 2014-2015 FUNDED SERVICES

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Community Services and Social Development</b>	The Unit facilitates and leads an integrated approach towards the development and delivery of services for children and families.	215	0	215
<b>Emergency Management</b>	This program implements, monitors and evaluates the Fire Prevention Program and Emergency Management Plan to ensure plans are in place to protect the Nillumbik community.	485	(20)	465
<b>Family Services</b>	The Family Services Unit facilitates and leads an integrated approach towards the development of children and family services.	2,126	(978)	1,148
<b>Leisure Facilities</b>	This program creates diverse and accessible leisure opportunities that encourage personal development, strengthens communities and enhances the health and well being of local residents and visitors.	8,999	(8,483)	516
<b>Community and Leisure Facilities Management</b>	This function supports Council's direct service delivery areas of Leisure Services, Facility Planning and Major Leisure Facilities Contracts.	221	(43)	178
<b>Library Services</b>	Public library services are provided at two locations offering a customer focused service that caters for the cultural, educational and recreational needs of all residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	2,440	0	2,440
<b>Living &amp; Learning Nillumbik</b>	Living & Learning Nillumbik works creatively with individuals, communities and government to provide programs that respond to the personal, professional, social, and learning needs of the whole community.	1,680	(1,287)	393
<b>Municipal Laws Coordination</b>	The Municipal Laws program includes community education and enforcement of road rules, litter offences and Council's Local Laws for the whole community.	1,420	(1,296)	123
<b>Environmental Health</b>	The Public Health Unit works towards improving public health for the community through the provision of programs and services in the areas of food safety, water quality, wastewater management, tobacco reforms, infectious disease control and emergency management preparedness and recovery.	817	(319)	498
<b>Community Participation Management</b>	This function supports Council's direct service delivery in the areas of Arts and Cultural Services, Libraries, Edendale and Living & Learning Nillumbik.	185	0	185
<b>Youth Services</b>	Youth Services plans, coordinates and collaborates with community members, health agencies, schools, sporting and church groups and Government departments to deliver quality programs and services that meet the needs of young people and their families.	414	(24)	390

## SERVICE PERFORMANCE INDICATORS AND MEASURES

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

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>AQUATIC FACILITIES</b>		
<b>Satisfaction</b> User satisfaction with aquatic facilities (optional) [User satisfaction with how council has performed on provision of aquatic facilities]	78.10	In the 2015 Annual Community Satisfaction Survey respondents rated their satisfaction with Council's aquatic and leisure facilities at 78.1 out of 100.
<b>Service standard</b> Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.00	Health inspections are not required through statutory processes for aquatic facilities. These are currently completed only on a complaint basis. Inspections of aquatic facilities are routinely carried out by the contracted service providers for each facility.
<b>Health and Safety</b> Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	There were no WorkSafe reportable incidents during the financial year.
<b>Service cost</b> Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.24	Council has included the Leisure Unit's operational maintenance allocation as a direct cost.
<b>Service Cost</b> Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$6.08	Council has included the Leisure Unit's operational maintenance allocation as a direct cost.
<b>Utilisation</b> Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.18	Outdoor pool use is calculated on door counter visits. Indoor pool use is calculated as direct visits plus 11.9% of membership usage as per annual survey.

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>ANIMAL MANAGEMENT</b>		
<b>Timeliness</b> Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	The majority of requests are actioned within eight hours.
<b>Service standard</b> Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	69.82%	294 dogs were impounded. Of these, 249 (85%) were returned to their owners and 24 (8%) were rehoused to new owners. 97 cats were impounded. Of these, 24 (25%) were returned to their owners and 58 (60%) were rehoused to new owners.
<b>Service cost</b> Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$39.19	This cost excludes income from pound fees, infringement notices and registration fees which, if included, would show a zero cost to provide the service.
<b>Health and safety</b> Animal management prosecutions [Number of successful animal management prosecutions]	5.00	Three of the prosecutions were for owners of dogs that attacked. The remaining two prosecutions (one failing to register their dog and one for a dog wandering) were a result of dog owners requesting their matters to be heard at a Magistrates Court.

## SERVICE PERFORMANCE INDICATORS AND MEASURES

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>FOOD SAFETY</b>		
<b>Timeliness</b> Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.53	Council aims to action food complaints as quickly as possible.
<b>Service standard</b> Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x100	119.67%	Some premises were inspected more than once.
<b>Service cost</b> Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]	\$896.03	This includes costs associated with monitoring and inspection of food premises, food sampling and providing educative material to businesses.
<b>Health and safety</b> Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	92.41%	73 out of 79 notifications were followed up during 2014-2015. The remaining notifications were followed up after 30 June 2015 because of an administrative anomaly.

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>LIBRARIES</b>		
<b>Utilisation</b> Library collection usage [Number of library collection item loans / Number of library collection items]	8.51	This is the number of times, on average, each item in the collection has been borrowed in the preceding year. Nillumbik's figure of 8.5 out of 10 is considerably higher than the Victorian average of 5.4 in 2013-2014.
<b>Resource standard</b> Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	85.94%	This is the percentage of the library collection that has been purchased in the past five years. Nillumbik's figure of 85.9% is considerably higher than the Victorian average of 64% in 2013-2014. This ongoing updating of the collection occurs in response to user demand for new items and replacement of old stock.
<b>Service cost</b> Cost of library service [Direct cost of the library service / Number of visits]	\$4.40	This cost is Nillumbik Shire Council's contribution towards the Yarra Plenty Regional Library Service minus capital costs and depreciation.
<b>Participation</b> Active library members [Number of active library members / Municipal population] x100	24.88%	This is the percentage of library members who have borrowed a library collection item from the Eltham and/or the Diamond Valley Libraries within the reporting period excluding eBooks.

## SERVICE PERFORMANCE INDICATORS AND MEASURES

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>HOME AND COMMUNITY CARE (HACC)</b>		
<b>Timeliness</b> Time taken to commence the HACC service [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]	0.00	This data is not required to be reported until the financial year beginning 1 July 2015.
<b>Service standard</b> Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	100.00%	Council and its service provider were assessed against the Community Care Common Standards in 2013. Council has implemented the agreed action plan and both Council and its service provider are fully compliant with the standards. The next assessment is scheduled for 2016.
<b>Service cost</b> Cost of domestic care service [Cost of the domestic care service / Hours of domestic care service provided]	\$0.00	This data is not required to be reported until the financial year beginning 1 July 2015.
<b>Service cost</b> Cost of personal care service [Cost of the personal care service / Hours of personal care service provided]	\$0.00	This data is not required to be reported until the financial year beginning 1 July 2015.
<b>Service cost</b> Cost of respite care service [Cost of the respite care service / Hours of respite care service provided]	\$0.00	This data is not required to be reported until the financial year beginning 1 July 2015.
<b>Participation</b> Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	24.50%	These figures are based on our population not funded hours of service. Council is currently delivering above its funded target hours for all services within the HACC program.
<b>Participation</b> Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	23.74%	All CALD clients have been able to access a service that they are eligible to receive.

## OUR COMMUNITY



COUNCIL RECEIVED 581 BIRTH NOTIFICATIONS AND 580 FIRST HOME VISITS WERE MADE.

### SERVICE PERFORMANCE INDICATORS AND MEASURES

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>MATERNAL AND CHILD HEALTH (MCH)</b>		
<b>Satisfaction</b> Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	99.83%	Council received 581 birth notifications and 580 first home visits were made.
<b>Satisfaction</b> Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	93.98%	Thirty-five children were not enrolled at 30 June 2015 for various reasons, such as choosing to attend a service in another local government area.
<b>Service cost</b> Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$0.00	This data is not required to be reported until the financial year beginning 1 July 2015
<b>Participation</b> Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.15%	At the 10 key stages and ages of Maternal and Child Health visits, Nillumbik is at or above the State average.
<b>Participation</b> Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	76.00%	At the 10 key stages and ages of Maternal and Child Health visits, Nillumbik is at or above the State average.



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



# OUR NATURAL ENVIRONMENT

COUNCIL PLAN 2013-2017

*Our natural environment at a glance...*

**\$6.6 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

## INTERESTING FACTS

- Support to 54 'Friends of' working bees
- Four populations of endangered and vulnerable species recorded
- Five water tanks connected at the Civic Centre for toilet flushing

**70%**

of kerbside waste diverted from landfill

**556,504**

waste bin collections

**1,221,428**

green waste collections

**633,412**

recycling bin collections

**6,800+**

indigenous plants planted within reserves

**495 hectares**

of bushland and wetland reserves maintained

# OUR NATURAL ENVIRONMENT



COUNCIL OFFICERS ASSISTED NINE LANDCARE GROUPS TO DELIVER THE NILLUMBIK CONSERVATION CORRIDORS PROJECT.

## ACHIEVEMENTS

### Amendment C81

Amendment C81 to the Nillumbik Planning Scheme to implement the recommendations of the Landscape Character Assessment was exhibited in April and May with some 172 submissions received. The exhibition was extensive with 4,760 direct notices to property owners, 4,500 unique views of Council's website, advertisements in the local newspapers, many phone and counter enquiries and two community information sessions. All submissions were scheduled to be reported to a special meeting of Council in August 2015.

### Small lots in the Green Wedge

Council received information on the proposed definitions and policy approaches for addressing the development of substandard and small lots in the Green Wedge in August 2014 and again in September 2014. Policy approaches will be implemented via the review of the Local Planning Policy Framework, about which Council

received information in April 2015. A draft of the new, local proposed policies will be prepared for Council consideration in the later part of 2015.

### Environmental Significance Overlay

Council adopted the Nillumbik Sites of Significance Report in September 2014. Officers began implementing Council's recommendations which includes pursuing a planning amendment to revise the Environmental Significance Overlays.

### Rare flora recorded

Council officers assisted nine Landcare groups to deliver the Nillumbik Conservation Corridors Project. Rare, threatened and endangered species were recorded including Clover Glycine, Crimson Spider Orchid, Emerald-lip Greenhood and Wine-lipped Spider Orchid. Four of Nillumbik's threatened orchids are being propagated at the Royal Botanic Gardens, Melbourne.

### Friends groups

Throughout the year, Council officers supported 22 'Friends of' groups with at least one key activity per group. In total 54 working bees were held, in addition to other activities such as National Tree Day planting and fauna camera monitoring.

### Fire management works

Council's annual fire management works program was developed and 90 per cent completed by 31 December 2014. This included all works in Council's 53 bushland and wetland reserves, open space reserves as well as hazardous tree works.

### Climate Change Action Plan

Energy consumption and greenhouse gas emission data was collated as part of the Nillumbik State of the Environment Report provided to Council in April. This data will be used to determine new targets and priority actions in the Climate Change Action Plan.

# OUR NATURAL ENVIRONMENT



## CHALLENGES

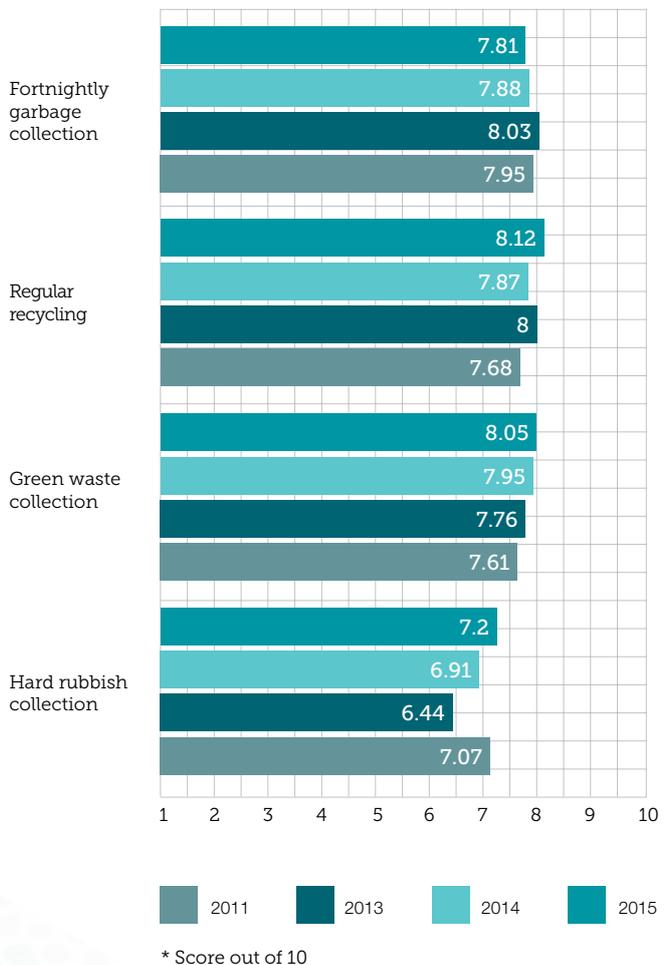
A comprehensive 12-month community education campaign and schedule of bin inspections by Council reduced the percentage of contaminated household green waste bins from 12 per cent to just 4.45 per cent. This 63 per cent improvement means that all green waste is now diverted away from landfill and recycled into compost.

## THE YEAR AHEAD

Site works will be completed at the Edendale Community Environment Farm in Eltham including new animal housing and a driveway access to the plant nursery.

## Satisfaction with waste collection services

Annual Community Survey results



# OUR NATURAL ENVIRONMENT



WATER TANKS FOR IRRIGATION AND FOR REUSE AT THE DIAMOND VALLEY SPORTS AND LEISURE CENTRE WERE ALSO COMPLETED.

## HOW WE PERFORMED AGAINST THE COUNCIL PLAN

The following statement reviews the performance of Council against the Council Plan 2013-2017 including the results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR	RESULT	COMMENT
Completion of annual Green Wedge Management Plan actions.	✓	A report was considered by Council in March 2015 on the actions undertaken to implement the Green Wedge Management Plan, which showed that 100% of the high priority actions have been either started, completed or are ongoing.
Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill.	✓	Council had a target diversion from landfill rate of 65%. The actual figure was 70.3%.
Increase in Council's stormwater harvesting and recycling capacity.	✓	The Hurstbridge Precinct Integrated Water Management Project was completed. The Civic Drive Integrated Water Management Project involving the construction of two raingardens and installation of five water tanks connected to the Civic Centre for toilet flushing was completed. Water tanks for irrigation and for reuse at the Diamond Valley Sports and Leisure Centre were also completed.
Reductions in Council buildings' electricity and gas consumption.	✓	There was a 4% reduction in Council's electricity consumption and 5% reduction in Council gas consumption over the year.
Increased satisfaction with environmental management as measured through the Annual Community Survey.	✓	77.1 (out of 100). This is an increase on the 2014 result of 70.7.
Positive trends in State of the Environment Report published every two years.	➔	There were positive trends in most of the areas covered by the State of Environment Report, including biodiversity, energy and greenhouse emissions and waste. Council's fleet emissions increased by 4.5% and water use by Council and residents has increased since the end of the drought and the removal of water restrictions in recent years.

Achieved ✓ Partially achieved ➔ On target 🎯 Not achieved ✗

## OUR NATURAL ENVIRONMENT



TWO FREE GREEN WASTE DISPOSAL DAYS TOOK PLACE IN NOVEMBER AND IN FEBRUARY.

### BUDGET 2014-2015 MAJOR INITIATIVES

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
<b>Weed Management</b> Actual \$25,000 Budget \$25,000	The roadside weed control program was expanded and the following weeds were controlled: <ul style="list-style-type: none"> <li>• Blackberry</li> <li>• Serrated Tussock</li> <li>• Chilean Needle Grass</li> <li>• St John's Wort</li> <li>• Watsonia and other bulbous weeds</li> </ul>
<b>Free Green Waste disposal (two days)</b> Actual \$75,334 Budget \$70,000	One day took place in November and the other in February.
<b>Biodiversity offsets/land management officer</b> Actual \$1,560 Budget \$58,000	Council approved a new system to provide local offsets for vegetation clearance that occurs through Council infrastructure projects as well as external development projects.  The development of the Nillumbik Over-the Counter Offset Program is underway and an indicative price for selling native vegetation credits 'over-the-counter' was set in February 2015. A database is being developed to track the program and a financial system has been set up.
<b>Community and Leisure Services project coordination</b> Actual \$68,619 Budget \$100,000	This position is primarily responsible for coordinating the Hurstbridge Intergenerational Housing Project.

# OUR NATURAL ENVIRONMENT

## BUDGET 2014-2015 FUNDED SERVICES

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Edendale</b>	Edendale is a centre for life-long learning, which enhances community awareness of environmental sustainability, and is a focus for local environmental programs and environmental education for schools and the whole community.	994	(420)	574
<b>Environmental Works</b>	The Environmental Works Unit is responsible for managing Council's environmentally significant reserves and roadsides for the whole community. The Unit also provides support to Friends and Landcare Groups who undertake works on Council land through provision of revegetation materials, advice and contractor support.	830	0	830
<b>Environmental Planning</b>	The Environmental Planning Unit is responsible for coordinating Council's environmental sustainability policy development and key programs including those aimed at water conservation and stormwater protection initiatives, energy efficiency projects and programs and land management incentive programs for the whole community.	954	(78)	876
<b>Environmental Services Management</b>	This function directly supports Council's service delivery in the areas of environmental planning and environmental health.	255	0	255
<b>Parks and Open Space Maintenance</b>	Parks Maintenance is responsible for the maintenance and improvement of open space, playgrounds, trees, wetlands, sportsgrounds, roadsides, park furniture and high priority areas for the whole community.	3,611	(27)	3,584
<b>Waste Services</b>	This Unit provides sustainable waste management services for municipal households including encouraging waste minimisation practices, collection of waste, resource recovery and land fill rehabilitation.	6,611	(610)	6,002

## OUR NATURAL ENVIRONMENT



A COMPREHENSIVE EDUCATION CAMPAIGN WAS UNDERTAKEN TO ENCOURAGE RESIDENTS TO PUT THE CORRECT ITEMS IN THEIR GREEN BINS.

### SERVICE PERFORMANCE INDICATORS AND MEASURES

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

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>WASTE COLLECTION</b>		
<b>Satisfaction</b> Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	166.50	Bin replacements and repairs represent 36.5% of this figure.
<b>Service standard</b> Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	14.55	Missed bins includes complimentary service, bins presented on incorrect weeks and partially emptied bins.
<b>Service cost</b> Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$64.56	Council has a fortnightly garbage collection using a 120 litre bin as the standard service.
<b>Service cost</b> Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$56.72	The kerbside recycling acceptance and sorting contract will be reviewed in 2017.
<b>Waste diversion</b> Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	70.33%	Council entered into a 15-year contract with a new facility that accepts green waste for processing. At the same time, a comprehensive community education campaign was undertaken to encourage residents to put the correct items in their green bins.



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.

# OUR BUILT ENVIRONMENT

## COUNCIL PLAN 2013-2017

*Our built environment at a glance...*

**\$24.3 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

- 64 septic applications lodged, 138 inspections of septic tank systems with 136 permits/certificates issued.
- 92 playgrounds maintained
- 5,296 requests for service received
- Building permits issued: 8 dwellings, 23 alterations and additions, 14 commercial, 140 miscellaneous
- 556 decisions made on planning applications
- 1,017 total planning decisions made
- 21 bushfire rebuilding site plans issued
- 98% of applications approved
- 36% of Council decisions upheld at VCAT
- Four bus shelters installed
- 2,506 road and footpath defect inspections carried out

**200km**

of roadsides mowed

**480 hectares**

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

**1,278**

trees inspected and maintained

**435km**

sealed roads, 332km unsealed roads and 369km constructed drains maintained

**5,647**

parking notices issued

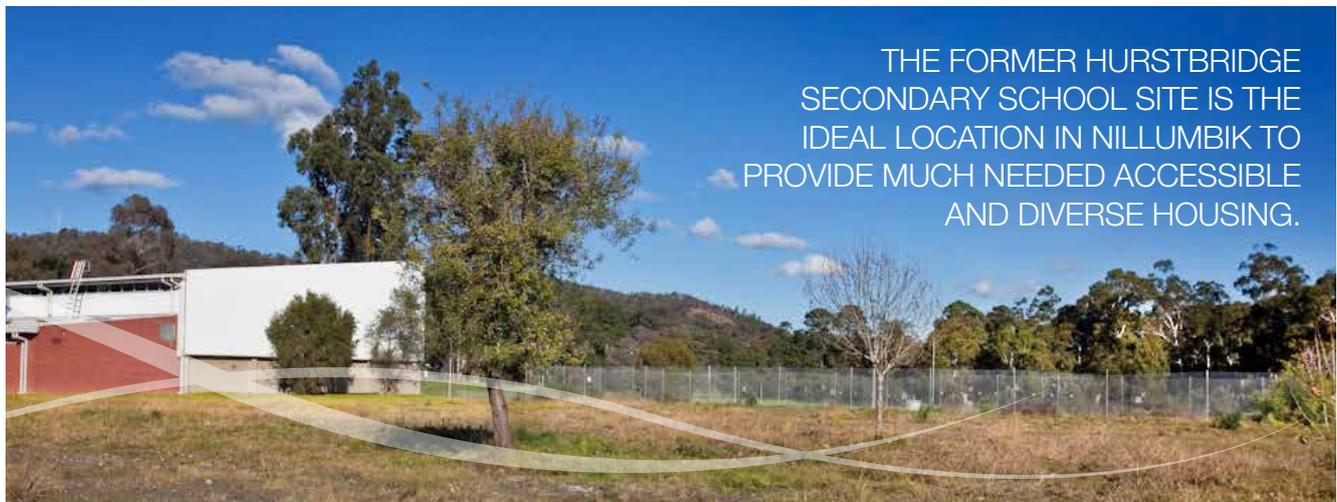
**865**

disabled parking permits issued

**\$300,000**

of roads and drains constructed as part of special charge schemes

# OUR BUILT ENVIRONMENT



THE FORMER HURSTBRIDGE SECONDARY SCHOOL SITE IS THE IDEAL LOCATION IN NILLUMBIK TO PROVIDE MUCH NEEDED ACCESSIBLE AND DIVERSE HOUSING.

## ACHIEVEMENTS

### Liveable Nillumbik

Liveable Nillumbik is a housing project located in Hurstbridge at the former secondary school site. It has been earmarked for many years as being the ideal location in Nillumbik to provide some much needed accessible and diverse housing.

Milestones achieved during the year include the purchase of the land, progression of the land rezoning and sale of land processes, public consultation and panel hearings, regular reporting to Council and the appointment of a Community Reference Group.

### Yarrambat Township Plan

The outcomes of community consultation on the issues and options discussion paper for the Yarrambat Town Centre were reported to Council in September. A vision and guiding principles was drafted and exhibited and a number of submissions were received and reported back to Council.

The project was re-scoped with an intention to now undertake a planning scheme amendment ahead of the finalisation of the township plan.

### Footpaths and trails

Construction of the Graysharps Road, Hurstbridge, section of the Diamond Creek Trail was completed, including new fencing and line marking.

As part of the footpath and trails capital works program new footpaths were constructed in Mt Pleasant Road, Diosma Road, Diamond Creek Road, Aqueduct Lane, Ely Street, Bambara Road, Ironbark Road, Hyde and Bage Streets. Shared path upgrades took place on the Main Road shared trail in Research, Railway Parade, Eltham and Campbell Street Reserve.

A new trail was completed in the Rifle Range Reserve.

### Road works

Council maintains 800 kilometres of roads and 369 kilometres of drains in compliance with the Road Management Plan standards. Works on the resealing program were completed in 2014-2015.

### Wadambuk opens

The new Wadambuk Community Centre in St Andrews was completed at a cost of \$3.2 million. The project was jointly funded with a \$500,000 contribution from Council and the remainder from the Victorian Bushfire Appeals Fund; Bendigo Bank; Heritage Victoria and the State Government.

### Renewing parks and playgrounds

Council's capital renewal programs for parks, playgrounds and sportsgrounds was 90 per cent completed. Safety fencing was installed at seven playgrounds. Works to replace drinking taps, tables and seats, signs, fences and barbecue doors were completed or started at 17 parks and reserves. Six sportsgrounds received work including drainage, fencing, turf and retaining walls.

# OUR BUILT ENVIRONMENT

## CHALLENGES

### Housing Strategy

Preparation and background research for a Housing Strategy for Nillumbik began during the year. Consultants completed their analysis of housing supply and demand and the results were presented to Council in February.

A review of the character and built form controls will continue in the next financial year.

### Tree Policy

A Tree Management and Maintenance Policy was endorsed by Council for the purposes of public consultation in May.

Consultation was due to end in July and the outcomes presented to Council before a final draft of the policy is prepared.

## THE YEAR AHEAD

### Diamond Creek to Hurstbridge Trail

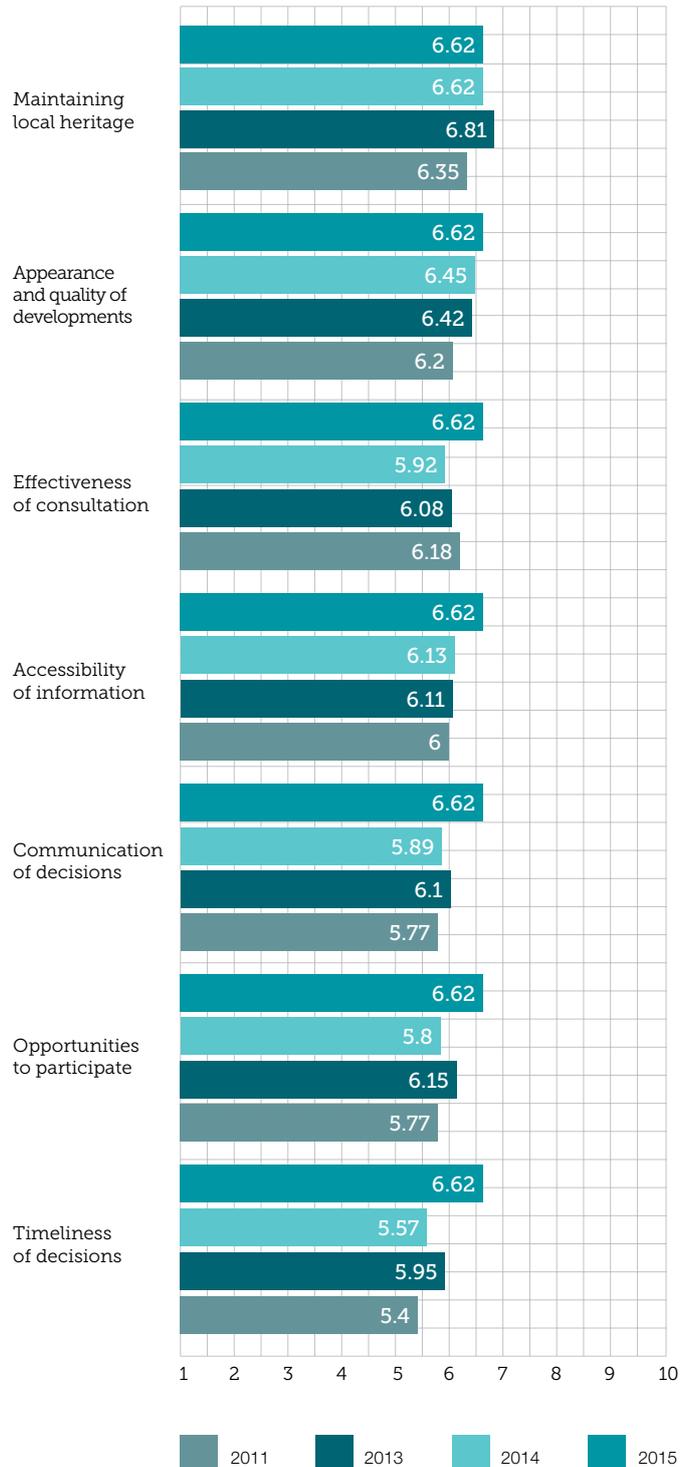
Further detailed investigations and community consultation will take place on the options for the preferred option of the shared recreational trail from Diamond Creek to Hurstbridge.

Council wants to hear from a broad range of people about whether they would like the trail to be extended and where that should be.

The extension to the existing Diamond Creek Trail will ultimately result in a trail from Hurstbridge to Melbourne CBD.

## Satisfaction with aspects of planning and housing development

### Annual Community Survey results



\* Score out of 10

# OUR BUILT ENVIRONMENT



## HOW WE PERFORMED AGAINST THE COUNCIL PLAN

The following statement reviews the performance of Council against the Council Plan 2013-2017 including the results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR	RESULT	COMMENT
Asset renewal expenses as a percentage of depreciation.	✓	A result of 52%. Asset renewal spending has historically been less than depreciation. Council's Strategic Resource Plan shows increased levels of asset renewal spending from 2015-2016 onwards.
Increased satisfaction with maintenance of local heritage as measured through the Annual Community Survey	✓	68.9 (out of 100). This is an increase on the 2014 of 66.2.
Increased satisfaction with appearance and quality of new developments as measured through the Annual Community Survey	✓	66.1 (out of 100). This is an increase on the 2014 result of 64.5.

Achieved ✓ Partially achieved → On target 🎯 Not achieved ✗

# OUR BUILT ENVIRONMENT

## BUDGET 2014-2015 MAJOR INITIATIVES

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
<b>Roads – table drain maintenance</b> Actual \$5,751 Budget \$15,000	This allocation was carried forward to the 2015-2016 budget
<b>Asset condition audit program</b> Actual \$84,594 Budget \$45,000	Condition audits for all assets were completed in 2014-2015 in according with Council's Asset Management Plan.
<b>New Zones for Victoria – planning scheme amendment</b> Actual \$0 Budget \$20,000	Amendment C99. The report of the Residential Zones Standing Advisory Committee was released in May 2015 recommending that Amendment C99 not be approved. The Committee also recommended that the current schedule to the NRZ be amended to specify a maximum height limit of 9 metres. This was included in the Planning Scheme through a separate Amendment (C105).
<b>New Bushfire Management Overlay mapping</b> Actual \$0 Budget \$8,000	This action was deferred. The Victorian Government advised Council that it is no longer pursuing the review of the Bushfire Management Overlay.
<b>Yarrambat Township Plan amendment (year 1 of 2)</b> Actual \$4,463 Budget \$15,000	Consultation on an issues and options paper took place and the outcomes reported to Council in September. A draft vision and guiding principles were drafted and exhibited with some submissions received. The project has been re-scoped with a view to undertaking a planning scheme amendment before the finalisation of the township plan.
<b>Eltham Precincts 3 and 4 Masterplan (stage 2)</b> Actual \$0 Budget \$100,000	This project was 50% completed. Council was briefed on the project – expected to take 16 months – in November 2014. The Eltham MAC Development Forum was taken on a walking tour of the precinct in December and an architecture firm was commissioned to prepare a detail proposal in April 2015. Negotiations continue on the approach to the masterplan.

## BUDGET 2014-2015 FUNDED SERVICES

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Asset Management</b>	This service manages and maintains all of Council's built infrastructure to an acceptable and safe standard for the whole community.	627	0	627
<b>Building</b>	The Building Unit has a dual role. It both contributes to the discharge of Council's statutory obligations to the Building Act (1993) and also competes as a 'commercial' operator in a competitive, deregulated marketplace for 'permission related' services for landowners, builders and developers.	511	(255)	256
<b>Building Maintenance</b>	The Building Maintenance Unit maintains Council buildings in a functional, safe and clean manner for the whole community.	1,475	0	1,475
<b>Construction</b>	The Construction Unit delivers and manages construction projects based on the Council's Capital Works Program. It maintains, upgrades and provides new assets for the community.	425	(105)	320

# OUR BUILT ENVIRONMENT

## BUDGET 2014-2015 FUNDED SERVICES

SERVICE	DESCRIPTION	EXPENDITURE	REVENUE	NET COST
<b>Engineering Design</b>	This area has a number of roles including: community consultation and design for Special Charge Schemes for the construction of roads, drains and other infrastructure, design and preparation of documentation for the construction of roads, drains and other infrastructure and Urban Design Guidelines for the whole community.	501	0	501
<b>Planning Administration</b>	This function supports Council's service delivery in the area of statutory planning.	847	(106)	741
<b>Road Maintenance</b>	This service implements and reviews maintenance programs for roads, footpaths, drains, on-road bike paths and recreational trails to meet community needs and expectations, statutory compliance and environmental best practice for the whole community.	4,310	(4)	4,306
<b>School Crossing Program</b>	This program ensures pedestrians are able to cross the road safely.	447	(141)	305
<b>Property Management</b>	This Unit manages Council's property portfolio for the whole community, including the acquisition of public open space and sale of surplus Council land.	4,850	(4,562)	288
<b>Fleet Maintenance</b>	This Unit provides scheduled and reactive maintenance of Council's fleet vehicles and major plant to support Council's direct service delivery across a wide range of services.	273	(51)	222
<b>Statutory Planning</b>	The Statutory Planning Unit administers the Nillumbik Planning Scheme in accordance with the requirements of the <i>Planning and Environment Act 1987</i> for landowners, builders and developers.	1,430	(224)	1,206
<b>Strategic and Economic Planning Management</b>	This function supports Council's direct service delivery in the areas of strategic planning, tourism and economic development.	202	0	202
<b>Strategic Planning</b>	This Unit deals primarily with land use planning and implementing land use policy through changes to the planning scheme for landowners, builders and developers. It is also responsible for providing Council with advice on adjoining municipalities and State planning initiatives in relation to land use planning.	507	0	507
<b>Traffic and Transport Management</b>	This unit liaises with ratepayers, the general public and community groups on strategic issues and concerns associated with traffic, parking and road safety issues. It also advocates to State and Federal governments to improve transport throughout the Shire.	1,305	(1,215)	89

# OUR BUILT ENVIRONMENT

## SERVICE PERFORMANCE INDICATORS AND MEASURES

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

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>STATUTORY PLANNING</b>		
<b>Timeliness</b> Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	90.00	This figure is six days more than the corresponding figure for the entire metropolitan Melbourne area (84 days).
<b>Service standard</b> Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	73.00%	This figure is 9% better than the corresponding figure for the entire metropolitan Melbourne area (64%).
<b>Service cost</b> Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,789.72	This figure includes the direct service cost of processing planning applications and amended planning permits, as well as various other planning consents that are specific to Nillumbik. During the reporting period, there were 123 of these extra consents.
<b>Decision making</b> Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	36.36%	Last year the corresponding figure was 58%. This year's lower than normal figure is somewhat distorted by the fact that there were a smaller number of VCAT appeals determined this year (11 compared to 19 for the previous two years).

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>ROADS</b>		
<b>Satisfaction of use</b> Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads ] x100	92.97	Council received 405 requests during the year that related to its 435km sealed local road network. As this figure has not been reported before, there are no previous results with which to compare it.
<b>Condition</b> Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	77.63%	This figure is based on condition audits undertaken in 2007, and is expected to change when the results of recent audits are available.
<b>Service cost</b> Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$0.00	None of Nillumbik's roads required a full road reconstruction as defined by the State Government during 2014-2015.
<b>Service Cost</b> Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$9.34	As Council has not reported this figure before there are no previous results with which to compare it.
<b>Satisfaction</b> Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.60	This is an increase on the 2014 result of 62.6.



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

# OUR ECONOMY

## COUNCIL PLAN 2013-2017

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*Our economy at a glance...*

**\$591,000**  
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

- Took part in four business breakfasts with Northern Melbourne Business Achievement Awards
- Three workshops/seminars held with Small Business Victoria

**12**

Hurstbridge Farmers' Markets held

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**30**

exhibitors at the Small Business Expo in Diamond Creek

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**250**

attendees at the Small Business Expo in Diamond Creek

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## ACHIEVEMENTS

### Branding Nillumbik

Stage two of the Brand Nillumbik project began, with the consultant team conducting a series of workshop with stakeholders on the brand development.

Additional work also took place with the reference group on naming options. Names have been refined and draft artwork and taglines development and presented to the Reference Group for consideration.

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.

### Eltham Town Square

Work began on the \$3.1 million redevelopment of the Eltham Town Square which was first identified through the 2004 Eltham Structure Plan.

The development will include building public toilets, creating additional open space, tree planting, changing access roads which are adjacent to car parks and providing an alfresco café.

### Structure plans

Amendments C51 and C53 to the Nillumbik Planning Scheme were approved in September 2014.

Amendments C51 and C53 propose a series of policy changes, rezonings and overlays to implement the findings of the Eltham Major Activity Centre

Structure Plan and Diamond Creek Twenty20 respectively.

Council commenced these amendments in May 2008, and submitted them to the Minister for Planning for approval on 20 January 2012.

The application of the new policies and zones will assist in stimulating investment and development within these areas. The introduction of the new urban design guidelines will ensure that any development will contribute to the preferred character of these areas.

### Supporting the economy

Council developed and implemented a program of business training, seminars and mentoring in collaboration with Living & Learning Nillumbik, Small Business Victoria and economic development agencies in the northern region of Melbourne.

Activities include four business breakfasts with the Northern Business Achievement Awards; a small business expo in Diamond Creek with 30 exhibitors and 250 attendees and 10 workshops/networking sessions with the Nillumbik Business Network.

### Planning decisions

A total of 36 per cent of Council's decisions were upheld by VCAT.

This lower than normal figures is due to the fact that there were a smaller number of VCAT appeals determined in 2014-2015.

Across the year, 73 per cent of the 515 planning applications received were determined within the 60 statutory day period.

## CHALLENGES

### Eltham Precincts 3 & 4 Redevelopment Project

Stage 2 of this project – aimed at connecting the two under-utilised precincts with the rest of the Eltham Town Centre – began in the financial year and is expected to take some 16 months to complete.

The project includes conducting a feasibility study to investigate different community uses and make recommendations to Council as well as producing a masterplan of civic improvements such as better pedestrian and bicycle access and links, improved traffic flow, better signage and provision of civic meeting spaces. Consultants have been commissioned to begin preparation of the draft masterplan which is due to be presented to Council in June 2016.

## THE YEAR AHEAD

### Completing Eltham Town Square

A project to inject new life into Eltham town centre and provide an expansion of people-friendly green space will be completed in 2015-2016.

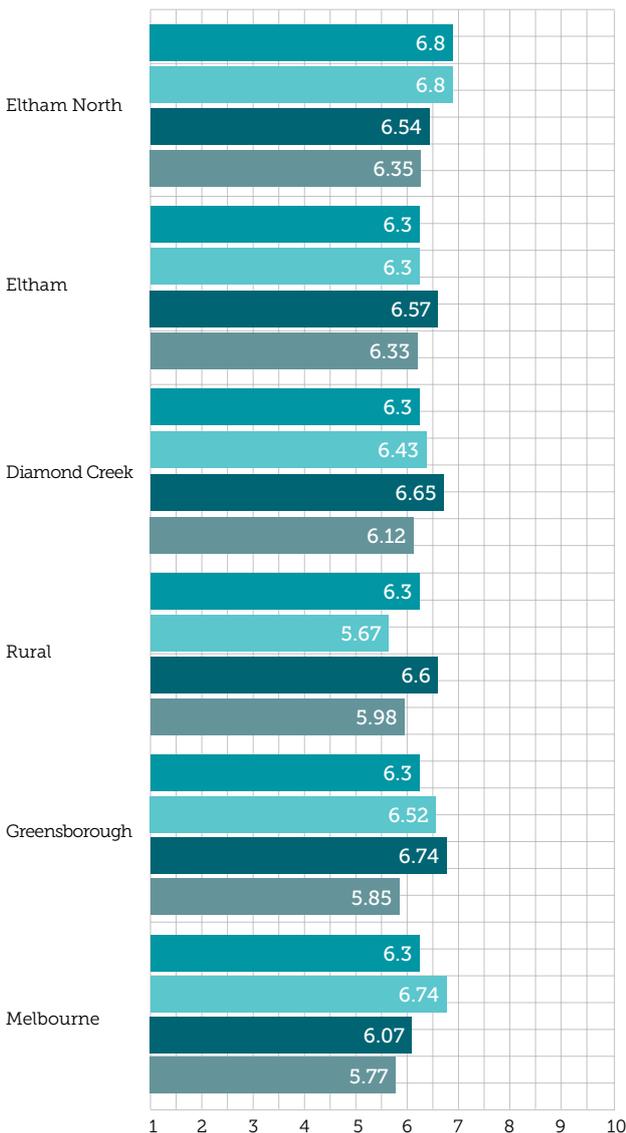
The redevelopment significantly increases the amount of pedestrian/car-free area from 56 to 85.5 per cent while maintaining the same number of car parking spaces. It will take advantage of the high numbers of people who walk through the area and the connections with public transport and parking. There will also be a play area, artwork, improved seating and lighting.

It will include building public toilets, creating additional open space, tree planting, changing access roads which are adjacent to car parks and providing an alfresco café.



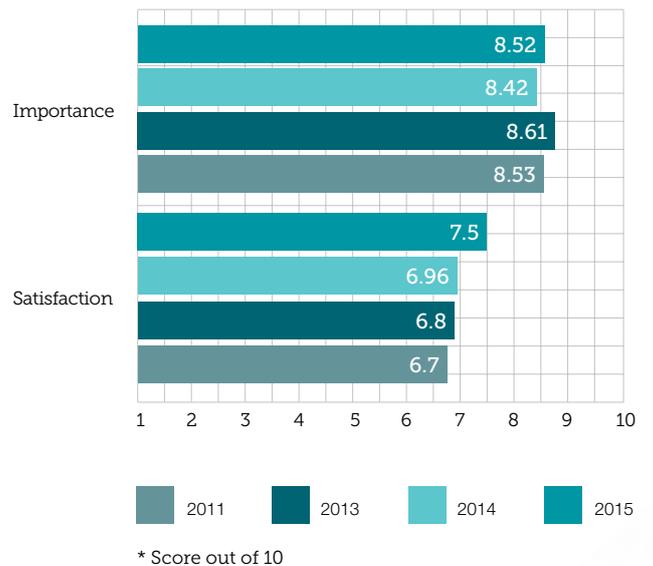
**Satisfaction with availability of parking by precinct**

Annual Community Survey results



**Importance and satisfaction of shopping strips**

Annual Community Survey results



# OUR ECONOMY



## HOW WE PERFORMED AGAINST THE COUNCIL PLAN

The following statement reviews the performance of Council against the Council Plan 2013-2017 including the results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR	RESULT	COMMENT
Percentage of planning application decisions made within 60 days.	✓	73 per cent of planning applications were decided within the 60 day statutory period.  Target – 50-100 per cent.
Implementation of Activity Centre Structure Plans	✓	Amendments C51 and C53 to the Nillumbik Planning Scheme were approved in September 2014.  Amendments C51 and C53 propose a series of policy changes, rezonings and overlays to implement the findings of the Eltham Major Activity Centre Structure Plan and Diamond Creek Twenty20 respectively.
Preparation and adoption of Township Plans	✓	St Andrews Township Plan: Council finalised exhibition of Amendment C93 to incorporate the St Andrews Urban Design Guidelines into the planning scheme, and a planning Panel was held on 17 February 2015. Council adopted the amendment in April 2015 and referred the amendment to the Minister for Planning for approval.  Yarrambat Township Plan: The draft Vision and Guiding Principles for the Township was exhibited, and a number of submissions were received. These guiding principles were endorsed by Council at the April 2015 Policy and Services Committee meeting, when it was also resolved to commence preparation of an amendment.

Achieved ✓ Partially achieved → On target 🎯 Not achieved ✗

## BUDGET 2014-2015 MAJOR INITIATIVES

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
<b>Brand Nillumbik (Stages 2 and 3)</b> Actual \$53,812 Budget \$60,000	A series of workshops with stakeholders was held in December 2014 and the 'brand story' presented to Council in March 2015.  Work on naming and tagline options continues with the reference group.

## BUDGET 2014-2015 FUNDED SERVICES

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Tourism and Business Development</b>	This service builds business networks and industry partnerships, manages business and tourism-related infrastructure projects and delivers business seminars and information for businesses and industry. This Unit is also responsible for economic development strategy and policy.	591	(297)	295

## SERVICE PERFORMANCE INDICATORS AND MEASURES

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

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>ECONOMIC DEVELOPMENT (OPTIONAL)</b>		
<b>Participation</b> Participation in business development activities [Number of businesses with an ABN in the municipality that participate in a business development activity / Number of businesses with an ABN in the municipality] x100	8.24%	Five hundred and twenty-six businesses with an ABN in the municipality participated in a business development activity during the financial year.
<b>Service standard</b> Delivery of planned business development activities [Number of business development activities delivered / Number of planned business development activities] x100	93.33%	Twenty-eight of a planned 30 business development activities took place during the year including a range of small business clinics, workshops, seminars, networking sessions and business breakfasts.
<b>Service cost</b> Cost of economic development service [Direct cost of delivering the economic development service / Number of businesses with an ABN in the municipality]	\$22.99	Council has not reported this figure before and has no previous results to compare it with. The cost includes all Economic Development programs delivered directly by Council.
<b>Economic activity</b> Percent change in number of businesses [Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100	1.01%	There was a very small percentage increase in the number of businesses with an ABN at the end of the financial year compared with the start of the financial year.



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

# OUR COUNCIL

## COUNCIL PLAN 2013-2017

### *Our Council at a glance...*

**\$18.5**  
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 counter and call centre
- Information technology
- Legislative compliance
- Risk management

#### INTERESTING FACTS

- Four citizenship ceremonies held including Australia Day
- 84 media releases issued
- 162,837 website users
- Facebook likes increased from 212 to 1,108
- 40 e-bulletins issued
- 231 staff enrolments in 29 training courses

**49,877**

phone calls to customer service

**41,287**

visits to customer service  
included issuing 27,591 receipts

**18,645**

customer requests logged

**775,402**

web pages viewed

**1,229**

Twitter followers

**23,301**

rates notices issued



## ACHIEVEMENTS

### Council's advocacy

In the lead up to the 2014 Victorian State Election, Council prepared an advocacy plan and met on several occasions with Members of Parliament and local candidates to highlight Council's priorities and seek funding.

Nillumbik was successful in securing \$3 million for the redevelopment of aquatic facilities at the Eltham Leisure Centre.

Commitments were also announced for upgrades of Yan Yean Road, Plenty, and Bolton Street, Eltham, as well as funds for facility upgrades at Eltham North Reserve.

Nillumbik also advocated with the Interface Councils and Northern Region Group of councils about with needs of the northern metropolitan municipalities and those on Melbourne's outer fringe.

Nillumbik hosted a community workshop in July 2014 as part of the Interface Fairer Funding campaign.

Following the election, the new State Government confirmed an allocation of \$50 million for an Interface Growth Fund.

### Gambling in Nillumbik

Council asked the community to have its say on poker machines across the Shire in order to develop a policy on gambling.

Residents were invited to complete an online survey for their opinion on poker machines across Nillumbik or make a formal submission about what they would like to see in a future policy.

A full discussion paper was drafted and was presented to Council in March.

Council is taking a public health approach which looks at the impacts of gambling on the whole community and what can be done to prevent harm.

### Internal audit

An internal audit program took place throughout the year with audits carried out on small and attractive assets, segregation of incompatible duties, various financial functions such as corporate credit cards, accounts receivable and procurement and essential safety measures on Council buildings.

Four meetings of the Audit Committee were held during 2014-2015.

# OUR COUNCIL

## CHALLENGES

### Playground Strategy

The preparation of a Playgrounds Strategy was delayed due to resourcing and capacity. It will progress in the next financial year.

Consultants undertook a feasibility study into an athletics track in Nillumbik and briefed Councillors on the outcomes in June. The report and recommendations will be presented to Council for adoption in the next financial year.

## THE YEAR AHEAD

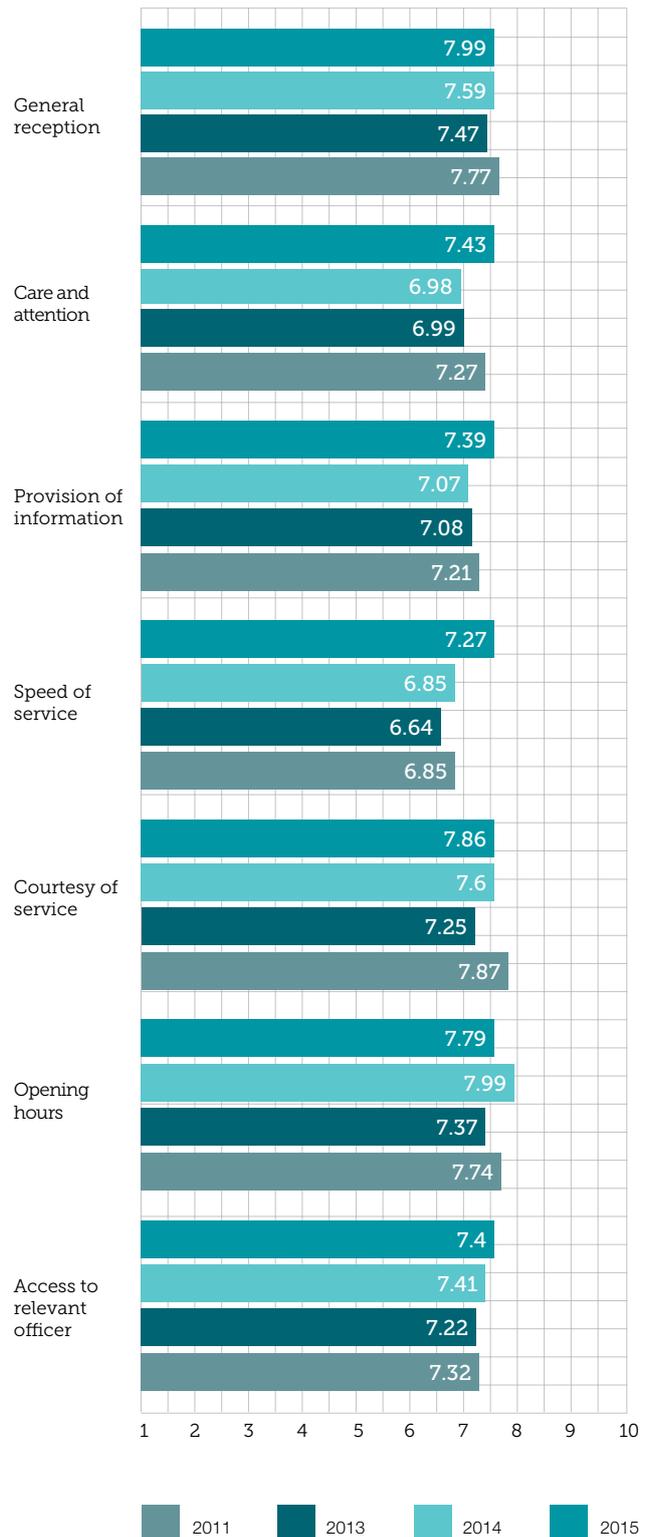
### Rate capping and budget priorities

Council will consult the local community to determine its priorities for the delivery of services and infrastructure in the lead up to the introduction of the State Government's rate capping framework.

Council provides more than 100 services and manages more than \$600 million worth of infrastructure assets. An understanding of the community's views and priorities will be vital to ensure that Council makes well informed decisions that meet the community's needs over the short and long term while being financially responsible.

## Satisfaction with aspects of customer service

Annual Community Survey results



\* Score out of 10



RATES PER  
RESIDENT IN  
NILLUMBIK  
REMAIN BELOW  
THE MEDIAN OF  
ALL VICTORIAN  
COUNCILS.

## HOW WE PERFORMED AGAINST THE COUNCIL PLAN

The following statement reviews the performance of Council against the Council Plan 2013-2017 including the results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR	RESULT	COMMENT
Maintain Victorian Auditor General's low risk 'green light' status measure for overall financial sustainability.	✓	The Victorian Auditor-General's latest report on Victorian local government (for the 2013-2014 financial year) assessed Nillumbik as low-risk (green light) status for overall financial sustainability. Nillumbik's results for 2014-2015 meet the Auditor-General's requirements for low-risk status.
Achieve an underlying surplus as a percentage of adjusted underlying revenue.	✓	Nillumbik achieved a surplus for 2014-2015 as shown in the Financial Statements.
Rates per resident remain below the State average.	✓	Rates per resident in Nillumbik remain below the median of all Victorian councils.
Adoption of Financial Sustainability Plan and achievement of targets in the Plan.	✓	Council adopted its Financial Sustainability Plan in December 2013. Council is progressively achieving the targets in that Plan, as reported in the Annual Report.
Satisfaction with overall performance of Council as measured through the Annual Community Survey.	✓	69 (out of 100). This is a 12% increase on the 2014 result of 61.6

Achieved ✓ Partially achieved ➔ On target 🎯 Not achieved ✗



A NEW WEBSITE COMPATIBLE WITH SMARTPHONES AND TABLETS WAS DEVELOPED AND TESTED AND WILL GO LIVE IN THE 2015-2016 FINANCIAL YEAR.

## BUDGET 2014-2015 MAJOR INITIATIVES

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
<b>Internet update (bandwidth, data and security)</b> Actual \$36,445 Budget \$70,000	This project is now complete. The security appliances were upgraded for tighter security in readiness for more open access to the Internet.
<b>Council website upgrade (smartphone/tablet format)</b> Actual \$66,380 Budget \$58,000	The new website was developed, populated with information and was tested. Due to some technical issues it will go live in the 2015-2016 financial year.
<b>Staff learning and development programs</b> Actual \$18,900 Budget \$20,000	A new program for leaders was launched in early 2015. Sixteen up and coming leaders have been working through an experiential learning program called Discovery in Action to help them understand how best to manage their staff. The program will conclude in September.

## BUDGET 2014-2015 FUNDED SERVICES

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Councillors, Chief Executive and Executive Team</b>	This function directly supports Council's service delivery areas of Council, Councillors, the Chief Executive Officer, General Management Team and administrative support.	2,530	(5)	2,525
<b>Finance and Rates/ Valuation Management</b>	This function supports Council's direct service delivery in the areas of statutory and internal accounts management and reporting, rates and valuations, property database, rate debtors and debt collection.	5,304	(4,482)	822

**BUDGET 2014-2015 FUNDED SERVICES**

SERVICE	DESCRIPTION	EXPENDITURE \$000	REVENUE \$000	NET COST \$000
<b>Application Services</b>	Provision of the following to support Council's direct service delivery areas of corporate business applications and associated systems.	1,019	0	1,019
<b>Communications</b>	The Communications Section assists both the Council and the organisation to communicate its decisions, services, activities and events to all Nillumbik residents and the wider community through the provision of high-quality information.	777	(3)	774
<b>Council Property Administration</b>	This function supports Council's direct service delivery in the areas of maintaining and managing leases and licences in relation to Council properties.	157	(269)	(112)
<b>Customer Service</b>	This service provides frontline customer service, cashier and reception services for residents and visitors including the coordination and implementation of the Service Excellence Program for the delivery of customer service for the organisation.	502	(8)	494
<b>Operations Centre Management</b>	This function supports Council's direct service delivery in the area of infrastructure maintenance.	1,205	0	1,205
<b>Governance</b>	This function supports Council's direct service delivery in the areas of legislative compliance, conduct of council meetings, electoral matters and other relevant legislative matters.	749	(0)	748
<b>Information Services</b>	The function supports Council's direct service delivery in the areas incoming mail processing, archiving and records management.	584	0	584
<b>Information Technology Management</b>	This function supports Council's direct service delivery in the areas of information technology services and solutions with access to reliable and relevant information, equipping our staff to deliver community requirements.	1,898	0	1,898
<b>Organisational Development</b>	Provision of the following to support Council's direct service delivery areas: workforce planning, staff development, policy and systems, health and wellbeing and industrial relations.	1,168	(30)	1,561
<b>Risk and Insurance</b>	Provision of the following to support Council's direct service delivery in the areas of: management of Council's risk and insurance portfolios including the development and maintenance of a strategic approach to risk. Key areas of focus are around occupational health and safety, WorkCover management and staff health and wellbeing.	1,661	(100)	1,561
<b>Technical Services</b>	This Unit supports Council's direct service delivery by providing Information Technology core systems including Council's network, helpdesk, database platforms, software licensing, telecommunication systems, disaster recovery and web applications	981	0	981

## OUR COUNCIL



### SERVICE PERFORMANCE INDICATORS AND MEASURES

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

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>GOVERNANCE</b>		
<b>Transparency</b> Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	15.00%	Council made 340 resolutions at 34 Council and Committee meetings during 2014-2015, 51 of which were resolutions made when a meeting was closed to the public under section 89(2) of the <i>Local Government Act 1989</i> .
<b>Consultation and engagement</b> Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	68.30	This was a new question asked in our 2015 Annual Community Survey, so we don't have a previous result with which to compare it. In 2014 the result for 'seeking opinion and feedback' was 61.8.
<b>Attendance</b> Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	91.84%	Council held 12 Ordinary and two Special meetings during 2014-2015. Of the seven Councillors, two attended all 14 meetings, four attended 13 out of the 14, and one Councillor recorded four absences for the financial year.
<b>Service cost</b> Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$49,536.80	The cost of governance includes training, conference and seminar costs, travel, fleet hire, mobile, internet, Councillor allowances, other miscellaneous expenditure, meals, food and beverage, catering.
<b>Satisfaction</b> Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	66.70	This was a new question asked in our 2015 Annual Community Survey, so we don't have a previous result with which to compare it. In 2014 the result for 'responsiveness to community needs' was 67.7.



2015 Nillumbik  
Australia Day Awards

*ordinary people doing extraordinary things*

**Sue Aldred**  
Citizen of the Year

*Helen Coleman*  
Councillor Helen Coleman  
Mayor

*Stuart Burdack*  
Stuart Burdack  
Chief Executive Officer

  
Sue Aldred  
2015 Citizen of the Year

# CORPORATE GOVERNANCE

## GOVERNANCE

Under the *Local Government Act 1989* (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.

## MEETINGS OF COUNCIL

Nillumbik Shire Council conducts its business in open and advertised meetings. In addition to Ordinary and Special meetings, Nillumbik has two special committees established under section 86 of the Act: Policy and Services Committee and Planning Committee. All seven Councillors sit on both Committees.

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

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, publishing them as part of the minutes of each meeting. Minutes are confirmed at the following Ordinary Council or Committee meeting.

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

# CORPORATE GOVERNANCE

## MEETINGS OF COUNCIL

During 2014-2015, Council made 340 resolutions at Council and Committee meetings.

MEETING	PURPOSE	NUMBER OF MEETINGS	RESOLUTIONS	PUBLIC QUESTIONS/SUBMISSIONS HEARD
<b>Policy and Services Committee meetings</b>	Considers a wide range of issues, submissions made under section 223 of the Act and invites members of the public to speak to an item on the agenda.	11	81	71
<b>Planning Committee meetings</b>	Considers planning applications and invites members of the public to speak to an item on the agenda.	9	37	61
<b>Ordinary Council meetings</b>	Considers the general business of Council and provides community members the opportunity to ask questions of Council.	12	214	71
<b>Special Council meetings</b>	Convened for a specific purpose and only the matters listed on the agenda may be dealt with.	2	8	–

## MEETING ATTENDANCE

COUNCILLOR	ORDINARY (12)	SPECIAL (2)	POLICY (11)	PLANNING (9)	BRIEFINGS (23)
<b>Cr Meralyn Klein</b>	9	1	7	5	12
<b>Cr Anika Van Hulsen</b>	12	2	11	9	22
<b>Cr Michael Young</b>	11	2	10	7	22
<b>Cr Peter Perkins</b>	11	2	10	8	15
<b>Cr Ken King<sup>3</sup></b>	12	2	10	8	20
<b>Cr Bronnie Hattam<sup>1</sup></b>	11	2	11	9	21
<b>Cr Helen Coleman<sup>2</sup></b>	11	2	11	9	20

1. Chair of Planning Committee for 2014-2015

2. Chair of Policy and Services Committee July – October 2014

3. Chair of Policy and Services Committee November 2014 – June 2015



## CODE OF CONDUCT

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 adopted in September 2013 and reviewed and amended by Council most recently on 26 May 2015.

## CONFLICT OF INTEREST

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires councillors to act in the public interest. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs where a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2014-2015, four conflicts of interest were declared at Council and Committee meetings.

## ASSEMBLIES 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 an advisory committee of Council at which at least one Councillor is present; or a planned or scheduled meeting of at least half of the Councillors and one member of council staff, which considers matters that are intended or likely to be the subject of a Council decision or subject to the exercise of a delegated function, duty or power.

Conflicts of interest must be disclosed at Assemblies of Councillors and are reported to Council as part of the written record of the Assembly.

During 2014-2015, 112 Assemblies of Councillors were reported to Council.

# CORPORATE GOVERNANCE

## ADVISORY COMMITTEES AND EXTERNAL GROUPS

Councillors also represent Council on a number of Advisory Committees and external groups. Representation for 2014-2015 is set out in the tables below.

ADVISORY COMMITTEES	COUNCILLORS	EXTERNAL ORGANISATIONS	COUNCILLORS
Agriculture Advisory Committee	Cr Ken King Cr Anika Van Hulsen	Diamond Creek Business Development Association	Cr Peter Perkins
Arts Advisory Committee (Acquisitions and Strategy)	Cr Helen Coleman <sup>1</sup> Cr Bronnie Hattam <sup>2</sup>	Eastern Region Councils	Mayor
Audit Committee	Cr Ken King Cr Meralyn Klein	Eltham Chamber of Commerce and Industry	Cr Michael Young Cr Ken King (alternate)
Chief Executive Officer Employment Matters Committee	Mayor, Cr Peter Perkins <sup>1</sup> Cr Meralyn Klein <sup>1</sup> Cr Ken King <sup>1</sup>  Mayor, Cr Michael Young <sup>2</sup> Cr Peter Perkins <sup>2</sup> Cr Ken King <sup>2</sup>	Hurstbridge Traders Association	Cr Anika Van Hulsen
Inclusion Advisory Committee	Cr Bronnie Hattam	Interface Councils	Mayor
Economic Development Advisory Committee	Cr Anika Van Hulsen Cr Michael Young Cr Ken King	Municipal Association of Victoria	Cr Helen Coleman Cr Peter Perkins (alternate)
Edendale Advisory Committee	Cr Michael Young Cr Bronnie Hattam	Metropolitan Transport Forum	Cr Ken King
Eltham Major Activity Centre Development Forum	Cr Helen Coleman Cr Michael Young Cr Bronnie Hattam	Metropolitan Waste Management Group	Cr Peter Perkins
Environment Advisory Committee	Cr Michael Young Cr Anika Van Hulsen	Nillumbik Tourism Association	Cr Michael Young Cr Bronnie Hattam
Green Wedge Advisory Management Plan Implementation Advisory Committee	Cr Anika Van Hulsen Cr Bronnie Hattam Cr Ken King	Northern Alliance for Greenhouse Action	Cr Bronnie Hattam
Liveable Nillumbik Community Reference Group – constituted 12 May 2015	Cr Anika Van Hulsen	Northern Region Councils	Mayor
Memorials Advisory Committee	Cr Meralyn Klein Cr Ken King	Yarra Plenty Regional Library Board	Cr Helen Coleman Cr Ken King
Living & Learning Nillumbik Advisory Committee	Cr Meralyn Klein	Victorian Local Governance Association	Cr Meralyn Klein
Municipal Emergency Management Planning Advisory Committee	Cr Peter Perkins Cr Meralyn Klein <sup>2</sup> (alternate)		
Panton Hill Bushland Reserves System Advisory Committee	Cr Anika Van Hulsen Cr Ken King		
Recreational Trails Advisory Committee	Cr Anika Van Hulsen Cr Ken King		

1. July – October 2014 2. November 2014 – June 2015



## 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.

## Councillor allowances

Councillor	Allowance (including superannuation)
Cr Meralyn Klein	\$25,566.08
Cr Anika Van Hulsen	\$25,566.08
Cr Michael Young <sup>1</sup>	\$38,165.09
Cr Peter Perkins	\$25,566.08
Cr Ken King	\$25,566.08
Cr Bronnie Hattam	\$25,566.08
Cr Helen Coleman <sup>2</sup>	\$66,774.74

1. Mayor 1 July – 27 October 2014
2. Mayor 27 October 2014 – 30 June 2015

## Councillor equipment

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	•	•	•	•

# CORPORATE GOVERNANCE



## MANAGEMENT

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council.

The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below.

The following items have been highlighted as important components of the management framework.

## 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 Audit Committee consists of three independent members, Linda MacRae (Chair), Roger Male and John Watson, and two Councillors, Cr Ken King and Cr Meralyn Klein. Independent members are appointed for up to a three-year term. The chair is elected from among the independent members.

The Audit Committee meets four times a year. The Internal Auditor, Chief Executive Officer, General Manager Corporate Services and Manager Finance attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in February and August each year to present the audit plan and independent audit report.

Recommendations from each Audit Committee meeting are subsequently reported to, and considered by Council.

## INTERNAL AUDIT

The Internal Auditors provide independent and objective assurance that the appropriate processes and controls are in place across Council. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit remains focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the SIAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated.

Recommendations are assigned to the responsible manager and tracked in Council's performance management system. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the



General Management Team and the Audit Committee.

The SIAP for 2014–2015 was completed with the following reviews conducted:

- Small and Attractive Assets
- Segregation of Incompatible Duties
- Financial functions (corporate cards, Accounts Receivable, Procurement, Assets Non-Infrastructure and related data integration)
- Building – Essential Safety Measures

## EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2014-2015 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative.

The external auditors attend the February and August Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

## RISK MANAGEMENT

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 overall score of 90 per cent, property audit 93 per cent and the fidelity audit 91 per cent.

## GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy 27 November 2007
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines 1 August 2007
Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with S126 of the Act Date of adoption 23 June 2015
Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with S130 of the Act Date of adoption 23 June 2015
Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plan Date of operation of current plan 24 May 2011
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy 23 June 2015
Risk policy ( policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy 29 June 2015
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Prepared and maintained in accordance with S20 of the Emergency Management Act 1986 Date of preparation 24 June 2014
Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and approved in accordance with S186A of the Local Government Act 1989 Date of approval 16 December 2014
Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Plan Date of operation of current plan 22 January 2014
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan 22 January 2014
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan May 2015
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework 21 June 2005

# CORPORATE GOVERNANCE

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with S139 of the Act Date of establishment 21 June 2005
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider 1 July 2014
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework. Date of operation of current framework 23 June 2015
Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Reports Date of reports 29 July 2014, 28 October 2014, 27 January 2015 and 28 April 2015
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with S138(1) of the Act Date statements presented on 28 October 2014, 27 January 2015, 28 April 2015 and 23 June 2015
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports 16 December 2014, 24 March 2015, 23 June 2015
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports 28 October 2014 and 28 April 2015.
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual Report considered at a meeting of Council in accordance with S134 of the Act. Date report presented 28 October 2014
Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of Conduct reviewed in accordance with section 76C of the Act Date of review 26 May 2015
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with S 98(6) of the Act Date of review 27 January 2015
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting Procedures Local Law made in accordance with S 91(1) of the Act. Date local law made 28 April 2015

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



**Stuart Burdack**  
**Chief Executive Officer**  
29 September 2015



**Cr Helen Coleman**  
**Mayor**  
29 September 2015

# CORPORATE GOVERNANCE

## STATUTORY INFORMATION

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

### Documents available for public inspection

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 the Mayor and 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.

### Best value

Council continues to apply Best Value principles to its services in accordance with the Act.

During the year, service reviews were completed for:

- Immunisation Services
- Family and Children's Services
- Infrastructure Services Administration

### Carers recognition

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.

### Contracts

The *Local Government Act 1989* requires 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 December 2014 in accordance with the Act. The 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.

In 2014-2015 Council used 3,494 suppliers in its provision of more than 100 services to the community. Sixty-four new contracts valued at \$11.6 million were awarded in five main areas: works; services; Information Technology; goods; and consultancy.

Council did not enter into any contracts during the year valued at more than \$150,000 or more without first engaging in a competitive process.

### Disability Action Plan

The Disability Action Plan (DAP) 2013-2017 provides the framework for Council to address disability and other access issues across all areas of the organisations planning and operations, ensuring Council meets its requirements under Federal, State and Local Government legislation.

The Community Inclusion Team is integral in the development, implementation and monitoring of the four DAP priorities for action which include:

- Reducing barriers to people with a disability accessing Council goods, services and facilities
- Reducing barriers to people with a disability in the area of employment
- Promoting inclusion and participation in the community
- Achieving tangible changes in attitude and practices that discriminate against people with a disability.

The following examples highlight the collaborative achievements which demonstrate Council's adoption of best practice and successful engagement and support to the community in fostering a more inclusive environment for all residents.

- Awarded the Communication Access Symbol acknowledging Council's positive attitudes, clear signage, easy to read information, communication boards and assisted listening systems to improve communication with people who experience communication barriers.

# CORPORATE GOVERNANCE

- Provided advice and support regarding disability to more than 40 programs, policies, planning of public spaces and Council strategies: Eltham Cenotaph, Council Civic Centre, Living & Learning Centres, War memorial interpretive signage, Diamond Creek Men's shed, Accessible parking upgrades, reserves and trails, public toilets, festivals, Customer Service Complaints, Volunteer and Integrated Transport strategies.
- Council's Inclusion Advisory Committee and Network has ensured Council is well positioned to consult with and understand the needs of the people with a disability, families, carers and service providers on current and future issues such as the National Disability Insurance Agency.
- Work with Regulatory services to ensure street trading does not restrict access for people that are vision impaired.

## Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council 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 the DAMP 2013-2017 in May 2013 and received an update on the Plan's implementation in December 2014.

In year two of the DAMP, Council built two designated dog off leash parks in Diamond Creek and Hurstbridge.

Other key achievements during the year included:

- Adopting a new Section 26 Order to exclude dogs from sporting ovals in Diamond Creek and Hurstbridge to reduce conflicting use of the ovals.
- Maintaining Council's high animal registration compliance through the registration program and targeted 'door knock' program. This year rangers inspected 710 properties throughout the municipality.
- Collaborating with local domestic animal businesses to promote responsible pet ownership within the municipality at the annual Pet Expo event.
- Facilitated a meeting with dog trainers and neighbouring councils to improve participation in Council's free dog obedience training program.

## Food Act ministerial directions

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

No such ministerial directions were received by Council during the financial year.

## 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	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Total number of requests	8	8	10	11	12
Access granted in full	3	4	5	4	8
Access granted in part	5	2	0	0	3
No documents available	0	2	0	1	-
Access denied in full	0	0	1	1	0
Requests withdrawn or not proceeded with	0	0	0	1	0
Requests in progress at end of financial year	0	0	4	4	1
Total application fees collected	\$212	\$204	\$315	\$367	\$414
Total other charges collected	\$716	\$1,365	\$115	\$123	\$151

# CORPORATE GOVERNANCE

## Protected Disclosure Act 2012

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 Broadbased Anti-corruption Commission or to the Victorian Ombudsman. Disclosures may be made by both employees or by members of the public.

During the 2014-2015 financial year, Council did not receive any protected disclosures.

## Road Management Act Ministerial Directions

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 most recently in July 2013, in accordance with the *Road Management Act 2004*.

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 2014-2015.

## Charter of Human Rights

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 2014-2015.

## 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 *Privacy and Data Protection Act 2014* 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](http://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 Commissioner for Privacy and Data Protection or the Health Services Commissioner (although the Commissioners may decline to hear the complaint if it is not first made to Council).

No complaints were received during 2014-2015 regarding breaches of customer privacy.

# CORPORATE GOVERNANCE

## Legislation impacting 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*
- *Local Government Act 1989*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987 and Nillumbik Planning Scheme*
- *Privacy and Data Protection Act 2014*
- *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*

## LOCAL LAWS

Council currently has three Local Laws in place.

### Amenity Local Law

The purpose of this Local Law is 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 purpose of this Local Law is 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 to; and
- 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 both 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
- facilitate community engagement by providing opportunities at meetings for community members to express their views
- ensure the efficient and orderly conduct of meetings
- regulate the use and keeping of the common seal; and
- ensure the peace, order and good government of the municipal district.

The Meeting Procedure Local Law was reviewed and adopted by Council during 2014-2015 and commenced operation on 15 May 2015.

## 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 \$17,100**

**Australian Local Government Women's Association \$330**

**Municipal Association of Victoria \$36,802.82**

**Local Government Managers Australia \$2,177.27**

# CORPORATE GOVERNANCE

## COUNCIL GRANTS TO THE COMMUNITY 2014-2015

### Arts Related

Montsalvat	32,685.09
	<b>32,685.09</b>

### Business and Tourism Development Grants

Nillumbik Tourism Association	27,000.00
	<b>27,000.00</b>

### Community Festivals/Fairs

Diamond Creek Rotary Town Fair	34,772.53
Eltham Jazz, Food and Wine Festival	36,125.92
Eltham Mudbrick House Tour	5,870.00
Eltham Town Festival	56,140.50
Panton Hill Festival	15,634.56
Warrandyte Festival	16,751.50
Hurstbridge Traders – Wattle Festival	27,819.80
	<b>193,114.81</b>

### Community Group Support Grants

Christmas Hills Mechanics Institute	1,100.00
Come Together Music and Arts Festival	2,062.00
Diamond Creek East Primary School	804.84
Diamond Creek Men's Shed Inc.	2,100.00
Diamond Creek Traders Association	1,000.00
Diamond Valley Basketball Association	2,000.00
Diamond Valley Red Tent	2,000.00
DV Prostate Cancer Support Group	360.56
Eltham Cricket Club Inc.	1,600.00
Eltham Girl Guides	1,050.00
Eltham Men's Shed Inc.	2,000.00
Eltham Woods Preschool	1,000.00
Friends of the Diamond Creek	577.04
Hurstbridge Traders Association	3,000.00
Lions Club of Nillumbik	210.00
Nillumbik Community Health Service	1,295.43
Older Men New Ideas	2,525.00
Panton Hill Festival Committee	1,200.00
Plenty Fire Brigade	220.00
Rotary Disability Circus Day – Preston Rotary Club	1,000.00
St Andrews Community Centre Inc.	4,525.78
Dreaming Seat at St Andrews Primary School	1,000.00
The Sharehood Inc.	3,000.00
Thrive Community Garden Inc.	7,000.00
	<b>42,630.65</b>

### Cultural Development Grants

Round the Bend Conservation Co-op	2,882.20
Auspicious Arts Inc.	3,000.00
Theatre 451 Inc.	3,000.00
	<b>8,882.20</b>

### Fire Brigades

Arthurs Creek Fire Brigade	2,722.24
Hurstbridge Fire Brigade	2,722.23
Kinglake Fire Brigade	2,722.23
Nillumbik Group Fire Brigade	2,722.24
North Warrandyte Fire Brigade	2,722.24
Panton Hill Fire Brigade	2,722.24
Research Fire Brigade	2,722.23
Yarrambat Fire Brigade	2,722.24
Wattle Glen Fire Brigade	2,722.23
Christmas Hills Fire Brigade	2,722.23
Doreen Fire Brigade	2,722.23
Whittlesea / Diamond Valley Group Fire Brigade	2,722.23
Diamond Creek Fire Brigade	2,722.23
Eltham Fire Brigade	2,722.23
Plenty Fire Brigade	2,722.23
Kangaroo Ground Fire Brigade	2,722.23
St Andrews Fire Brigade	2,722.23
District 14 Headquarters Brigade East	2,722.24
	<b>49,000.20</b>

### 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
Greensborough Historical Society	1,200.00
Arthurs Creek Mechanics Institution	600.00
	<b>7,200.00</b>

### Occasional Childcare Centres

Hohnes Road Playhouse	25,454.55
	<b>25,454.55</b>

### Operational

Diamond Valley Community Support	0.00
Allwood Neighbourhood House	12,000.00
North East Region Volunteer Resource	4,886.00
St Andrews Market	15,400.00
	<b>32,286.00</b>

### Sports and Recreational Achievements

20 achievement grants	3,700.00
	<b>3,700.00</b>

### Youth Support Grants

YSAS 'Birribi'	3,000.00
Operation Newstart	3,000.00
Men's Shed at St Andrews Incorp	3,000.00
	<b>9,000.00</b>

**Total grants and donations** **\$430,953.50**  
(Note: Amounts are GST Exclusive)

# CORPORATE GOVERNANCE

## VICTORIAN LOCAL GOVERNMENT INDICATORS

INDICATOR	DESCRIPTION	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Overall performance	Community satisfaction rating for overall performance generally of the Council	6.90*	6.16*	6.44*	6.33*	59	59
Advocacy	Community satisfaction rating for Council's lobbying on behalf of the community	6.8*	5.91*	6.37*	6.31*	57	57
Community consultation	Community satisfaction rating for Council's consultation and engagement	6.83*	6.18*	6.24*	6.23*	56	58
All rates	Average rates and charges per assessment	\$2,463	\$2306	\$2,136	\$2,019	\$1,903	\$1,784
Residential rates	Average residential rates per assessment	\$2,432	\$2294	\$2,212	\$2,092	\$1,873	\$1,757
Operating costs	Average operating expenditure per assessment	\$3,358	\$3350	\$3,440	\$3,571	\$3,187	\$2,871
Capital expenditure	Average capital expenditure per assessment	\$712	\$736	\$291	\$783	\$788	\$693
Infrastructure	Renewal	52%	N/A	N/A	72%	N/A	76%
Infrastructure	Renewal and maintenance	N/A	N/A	N/A	83%	N/A	85%
Debt	Average liabilities per assessment	\$1,595	\$1565	\$1,560	\$1,871	\$1,524	\$1,312
Operating results	Operating result per assessment	\$658	\$291	\$65	\$1,601	\$344	\$244

\* Out of 10. In 2011, 2013, 2014 and 2015, Nillumbik Shire Council chose not to take part in the Local Government Community Satisfaction Survey, and instead conducts its own Annual Community Survey. Further details are on page 32 of this Annual Report.

# ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

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# COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>INCOME</b>			
Rates and charges	3	56,761	52,756
Statutory fees and fines	4	1,325	1,144
User fees	5	10,744	12,127
Grants – operating	6	9,810	6,496
Grants – capital	6	2,385	3,676
Contributions – monetary	7	2,532	1,217
Contributions – non-monetary	7	1,949	3,207
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	3,220	(142)
Share of net profits/(losses) of associates and joint ventures	16(a)	161	146
Other income	9	2,861	2,542
<b>Total income</b>		<b>91,748</b>	<b>83,169</b>
<b>EXPENSES</b>			
Employee costs	10	30,517	28,732
Materials and services	11	28,279	30,324
Bad and doubtful debts	12	30	46
Depreciation and amortisation	13	9,677	9,227
Borrowing costs	14	980	992
Contributions to associates and joint ventures	16(b)	2,277	2,285
Other expenses	15	4,963	4,904
<b>Total expenses</b>		<b>76,723</b>	<b>76,510</b>
<b>Surplus/(deficit) for the year</b>		<b>15,025</b>	<b>6,659</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	28(a)	7,641	513
Share of other comprehensive income of associates and joint ventures	16	–	–
<b>Total comprehensive result</b>		<b>22,666</b>	<b>7,172</b>

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

# BALANCE SHEET

AS AT 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	30,510	15,784
Trade and other receivables	18	7,961	8,242
Other financial assets	19	–	4,600
Inventories	20	18	25
Non-current assets classified as held for sale	21	2,362	745
Other assets	22	396	707
<b>Total current assets</b>		<b>41,247</b>	<b>30,103</b>
<b>Non-current assets</b>			
Trade and other receivables	18	987	1,393
Other financial assets	19	5	5
Other assets	22	70	–
Investments in associates and joint ventures	16	1,377	1,216
Property, infrastructure, plant and equipment	23	659,741	647,407
<b>Total non-current assets</b>		<b>662,180</b>	<b>650,021</b>
<b>Total assets</b>		<b>703,427</b>	<b>680,124</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	24	4,248	4,109
Trust funds and deposits	25	1,308	1,166
Provisions	26(c)	7,691	6,675
Interest-bearing loans and borrowings	27	2,277	1,545
<b>Total current liabilities</b>		<b>15,524</b>	<b>13,495</b>
<b>Non-current liabilities</b>			
Provisions	26(c)	8,094	8,692
Interest-bearing loans and borrowings	27	12,826	13,620
<b>Total non-current liabilities</b>		<b>20,920</b>	<b>22,312</b>
<b>Total liabilities</b>		<b>36,444</b>	<b>35,807</b>
<b>Net assets</b>		<b>666,983</b>	<b>644,317</b>
<b>EQUITY</b>			
Accumulated surplus		366,017	356,327
Reserves	28(a), 28(b)	300,966	287,990
<b>Total equity</b>		<b>666,983</b>	<b>644,317</b>

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserve \$ '000	Other Reserves \$ '000
<b>2015</b>					
.....					
<b>Balance at beginning of the financial year</b>		<b>644,317</b>	<b>356,327</b>	<b>269,545</b>	<b>18,445</b>
Surplus/(deficit) for the year		15,025	15,025	–	–
Net asset revaluation increment/(decrement)	28(a)	7,641	–	7,641	–
Transfers to other reserves	28(b)	–	(17,925)	–	17,925
Transfers from other reserves	28(b)	–	12,590	–	(12,590)
<b>Balance at end of the financial year</b>		<b>666,983</b>	<b>366,017</b>	<b>277,186</b>	<b>23,780</b>

	Notes	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserve \$ '000	Other Reserves \$ '000
<b>2014</b>					
.....					
<b>Balance at beginning of the financial year</b>		<b>637,145</b>	<b>346,946</b>	<b>269,032</b>	<b>21,167</b>
Surplus/(deficit) for the year		6,659	6,659	–	–
Net asset revaluation increment/(decrement)	28(a)	513	–	513	–
Transfers to other reserves	28(b)	–	(11,629)	–	11,629
Transfers from other reserves	28(b)	–	14,351	–	(14,351)
<b>Balance at end of the financial year</b>		<b>644,317</b>	<b>356,327</b>	<b>269,545</b>	<b>18,445</b>

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		57,577	51,208
Statutory fees and fines		1,950	978
User fees (GST inclusive)		11,369	12,730
Grants – operating (GST inclusive)		9,810	11,338
Grants – capital (GST inclusive)		2,385	–
Contributions – monetary (GST inclusive)		2,557	1,217
Interest received		1,435	937
Trust funds and deposits taken		142	118
Other receipts (GST inclusive)		1,426	5,049
Net GST refund/(payment)		2,542	–
Employee costs		(29,907)	(28,292)
Materials and services (GST inclusive)		(32,396)	(33,867)
Trust funds and deposits repaid		–	–
Other payments		(7,240)	(8,279)
<b>Net cash provided by/(used in) operating activities</b>	<b>29</b>	<b>21,650</b>	<b>13,137</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(12,965)	(14,592)
Proceeds from sale of property, infrastructure, plant and equipment		4,431	1,353
Payments for investments		(1,948)	(300)
Proceeds from sale of investments		4,600	–
<b>Net cash provided by/(used in) investing activities</b>		<b>(5,882)</b>	<b>(13,539)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(980)	(993)
Proceeds from borrowings		1,480	2,392
Repayment of borrowings		(1,542)	(2,450)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,042)</b>	<b>(1,051)</b>
Net increase/(decrease) in cash and cash equivalents		14,726	(1,453)
Cash and cash equivalents at the beginning of the financial year		15,784	17,237
<b>Cash and cash equivalents at the end of the financial year</b>	<b>30</b>	<b>30,510</b>	<b>15,784</b>
<b>Financing arrangements</b>	<b>31</b>		
<b>Restrictions on cash assets</b>	<b>17</b>		

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

# STATEMENT OF CAPITAL WORKS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>Property</b>			
Land improvements		–	–
Playgrounds		–	355
<b>Total land</b>		<b>–</b>	<b>355</b>
<b>Buildings</b>			
Buildings – heritage		3,482	6,875
Building improvements – disability access works		–	–
		–	118
<b>Total buildings</b>		<b>3,482</b>	<b>6,993</b>
<b>Total property</b>		<b>3,482</b>	<b>7,348</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		954	1,251
Furniture, equipment and computers		137	–
Artwork		41	–
<b>Total plant and equipment</b>		<b>1,132</b>	<b>1,251</b>
<b>Infrastructure</b>			
Roads		3,735	2,671
Bridges		27	284
Footpaths and cycleways		786	514
Drainage		593	498
Recreational, leisure and community facilities		2,390	1,244
Waste management		234	–
Parks, open space and streetscapes		2,399	1,800
Traffic treatments		–	310
Other infrastructure		1,503	609
Special charge schemes (council contributions)		–	309
<b>Total infrastructure</b>		<b>11,667</b>	<b>8,239</b>
<b>Total capital works expenditure</b>		<b>16,281</b>	<b>16,838</b>
<b>Represented by:</b>			
New asset expenditure		2,117	5,350
Asset renewal expenditure		5,041	8,418
Asset expansion expenditure		3,013	–
Asset upgrade expenditure		6,110	3,070
<b>Total capital works expenditure</b>		<b>16,281</b>	<b>16,838</b>

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## INTRODUCTION

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.

## STATEMENT OF COMPLIANCE

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements.

The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(k))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1(n))
- the determination of employee provisions (refer to note 1 (q))

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

### (b) Changes in accounting policies

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

### (c) Accounting for investments in associates and joint arrangements

#### **Associates**

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### **Joint arrangements**

Council is not involved in any joint arrangements at balance date.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(cont.)

### (d) Revenue recognition

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

#### *Rates and charges*

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

#### *Statutory fees and fines*

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

#### *User fees*

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

#### *Grants*

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

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

#### *Contributions*

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

#### *Sale of property, infrastructure, plant and equipment*

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

#### *Interest*

Interest is recognised as it is earned.

#### *Dividends*

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

#### *Other income*

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

### (e) Fair value measurement

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

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

- Level 1** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

### (f) Cash and cash equivalents

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

### (g) Trade and other receivables

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

### (h) Other financial assets

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

### (i) Inventories

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

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

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

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(cont.)

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

#### **Acquisition**

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

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

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

#### **Revaluation**

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23, Property, infrastructure, plant and equipment, and infrastructure.

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 credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense.

Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

#### **Land under roads**

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

### **(l) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles**

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

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

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

Artworks are not depreciated.

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(cont.)

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

### *Asset recognition thresholds and depreciation periods*

	Useful life years	Threshold \$'000		Useful life years	Threshold \$'000
<b>Property</b>			<b>Infrastructure</b>		
Land	Indefinite	Nil	Roads	30-80	5,000
Playgrounds	10	1,000	Road substructure	50	5,000
Land improvements	50	5,000	Road kerb, channel and minor culverts	50	5,000
Buildings	50-100	5,000	School crossings and sealed road surfaces	20	5,000
<b>Plant and Equipment</b>			Bridges – concrete/steel	100	5,000
Plant and machinery	6-7	1,000	Bridges – timber	50	5,000
Motor vehicles	6-7	Nil	Footpaths and cycleways	15-50	5,000
Furniture, fittings and computers	6-7	1,000	Drainage	50-100	5,000
Artwork	100	500	Waste management	5-15	1,000
			Guard fence	10	1,000
			Street signals	10	5,000
			Fire hydrants	50	1,000
			Bus shelters	20	1,000
			Reserves furniture	17	1,000

### (m) Repairs and maintenance

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

### (n) Impairment of assets

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

Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

### (o) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

### (p) Borrowings

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(cont.)

### ***Borrowing costs***

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

### **(q) Employee costs and benefits**

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

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

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

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

#### ***Long service leave***

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

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

The components of this current liability are measured at:

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

#### ***Classification of employee costs***

Non-current liability: conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non – current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

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

#### ***Superannuation***

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

### **(r) Landfill rehabilitation provision**

Council is obligated to restore the former landfill sites at Plenty and Kangaroo Ground to a particular standard. The provision for landfill restoration has been calculated based on the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont.)

### (s) Leases

#### *Finance leases*

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated 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. Leased assets are currently being amortised over a 6 to 7 year period.

#### *Operating leases*

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

### (t) 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 Taxation 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.

### (u) Financial guarantees

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

### (v) Contingent assets and contingent liabilities and commitments

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

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

### (w) Pending accounting standards

Certain new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

### (x) Rounding

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 2 BUDGET COMPARISON

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 per cent or \$300,500 (two per cent of surplus) where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 24 June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
<b>a) Income and Expenditure</b>				
<b>Income</b>				
Rates and charges	56,609	56,761	152	
Statutory fees and fines	900	1,325	425	2(c)(i)
User fees	12,282	10,744	(1,538)	2(c)(ii)
Grants – operating	6,527	9,810	3,283	2(c)(iii)
Grants – capital	778	2,385	1,607	2(c)(iv)
Contributions – monetary	65	2,532	2,467	2(c)(v)
Contributions – non monetary	–	1,949	1,949	2(c)(vi)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	–	3,220	3,220	2(c)(vi)
Fair value adjustments for investment property	–	–	–	
Share of net profits/(losses) of associates and joint ventures	–	161	161	2(c)(vi)
Other income	2,010	2,861	851	2(c)(vii)
<b>Total income</b>	<b>79,171</b>	<b>91,748</b>	<b>12,577</b>	
<b>Expenses</b>				
Employee costs	30,017	30,517	(500)	2(c)(viii)
Materials and services	26,432	28,279	(1,847)	2(c)(ix)
Bad and doubtful debts	3	30	(27)	2(c)(x)
Depreciation and amortisation	9,514	9,677	(163)	
Borrowing costs	1,186	980	206	2(c)(xi)
Contributions to associates and joint ventures	2,361	2,277	84	
Other expenses	6,854	4,963	1,891	2(d)(xii)
<b>Total expenses</b>	<b>76,367</b>	<b>76,723</b>	<b>(356)</b>	
<b>Surplus/(deficit) for the year</b>	<b>2,804</b>	<b>15,025</b>	<b>12,221</b>	

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 2 BUDGET COMPARISON (cont.)

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
<b>b) Capital Works</b>				
<b>Property</b>				
Land	-	-	-	
Playgrounds	-	-	-	
Land improvements	-	-	-	
<b>Total land</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Buildings	1,249	3,482	2,233	2(d)(i)
Buildings – heritage	-	-	-	
Building improvements	-	-	-	
<b>Total buildings</b>	<b>1,249</b>	<b>3,482</b>	<b>2,233</b>	
<b>Total property</b>	<b>1,249</b>	<b>3,482</b>	<b>2,233</b>	
<b>Plant and equipment</b>				
Plant, machinery and equipment	1,934	954	(980)	2(d)(ii)
Fixtures, fittings and furniture	235	137	(98)	2(d)(ii)
Computers and telecommunications	-	-	-	
Artwork	-	41	41	2(d)(iii)
<b>Total plant and equipment</b>	<b>2,169</b>	<b>1,132</b>	<b>(1,037)</b>	
<b>Infrastructure</b>				
Roads	3,114	3,735	621	2(d)(iv)
Bridges	288	27	(261)	2(d)(v)
Footpaths and cycleways	700	786	86	2(d)(vi)
Drainage	500	593	93	2(d)(vi)
Recreational, leisure and community facilities	2,577	2,390	(187)	
Kerb and channel	-	-	-	
Waste management	500	234	(266)	2(d)(vii)
Parks, open space and streetscapes	188	2,399	2,211	2(d)(viii)
Traffic treatments	-	-	-	
Other infrastructure	2,964	1,503	(1,461)	2(d)(ix)
<b>Total infrastructure</b>	<b>10,831</b>	<b>11,667</b>	<b>836</b>	
<b>Total capital works expenditure</b>	<b>14,249</b>	<b>16,281</b>	<b>2,032</b>	
<b>Represented by:</b>				
New asset expenditure	5,434	2,117	(3,317)	
Asset renewal expenditure	6,864	5,041	(1,823)	
Asset expansion expenditure	-	3,013	3,013	
Asset upgrade expenditure	1,951	6,110	4,159	
<b>Total capital works expenditure</b>	<b>14,249</b>	<b>16,281</b>	<b>2,032</b>	

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 2 BUDGET COMPARISON

(cont.)

### c) Explanation of material variations, Income and expenditure

- (i) **Statutory fees and fines**, variance due to increase in fines and permits issued for the year and large penalties served on properties in the shire.
- (ii) **User fees**, variance attributable to decrease in facility use due to competition from other new facilities.
- (iii) **Grants – operating**, variance due to Grants Commission income received in advance and additional grants including multi-year projects received during the year.
- (iv) **Grants – capital**, variance due to higher than expected funding for projects, being the St Andrews Community Centre \$0.910 million and the Hurstbridge Community Hub \$0.539 million.
- (v) **Contributions – monetary**, variance largely due to developer and capital works contributions received in excess of budget and tied to specific works.
- (vi) **Contributions – non-monetary, Net gain/(loss) on disposal of property, infrastructure, plant and equipment, Share of net profits/(losses) of associates and joint ventures**, primarily represents infrastructure assets gifted to Council via subdivision and the proceeds from asset sales.
- (vii) **Other income**, positive variation due to the sale of valuations data and an increase in interest income which is driven by increase in funds invested and interest on unpaid rates.
- (viii) **Employee costs**, variance due to long service leave calculation.
- (ix) **Materials and services**, variance is due to the reallocation of insurance premiums from other expenses to materials and services category in the income statement and higher than expected materials, maintenance and equipment costs.
- (x) **Bad and doubtful debts**, largely due to a decrease in collections from PERIN Court resulting in the doubtful debt being raised.
- (xi) **Borrowing costs**, due to previously budgeted borrowings taken up later than planned.
- (xii) **Other expenses**: variations mainly due to the reallocation of insurance premiums from other expenses to materials and services in the income statement. Variance is also attributable to strategic planning, council support and environmental works budgeted for but not undertaken in the 2014-2015 financial year.

### d) Explanation of material variations, capital works

- (i) **Buildings**, variance due to carry forward works of budgeted funding from prior years for St Andrews Community Centre \$1.55 million, Hurstbridge Storm Water Recycling System \$333,000 and the community hubs refurbishment programs \$265,000.
- (ii) **Plant, machinery and equipment and fixtures, fittings and furniture**: variance due to works not being completed in 2014-2015. These works have been carried forward and are planned to be undertaken in 2015-2016 financial year.
- (iii) **Artwork**, purchases are made within Council policy and funded from reserve.
- (iv) **Roads**, variance due to carry forward works budgeted for in the 2013-2014 financial year undertaken in 2014-2015 financial year.
- (v) **Bridges**, variance due to bridge rehabilitation works not being completed in 2014-2015. These works have been carried forward and are planned to be undertaken in the 2015-2016 financial year.
- (vi) **Footpaths and cycleways and drainage**, variance due to carry forward works budgeted for in the 2013-2014 financial year undertaken in 2014-2015 financial year.
- (vii) **Waste management**, variance due to landfill works budgeted but not completed in 2014-2015 financial year.
- (viii) **Parks, open space and streetscapes**, variance due to land purchases not budgeted for, but which were undertaken and funded from reserve.
- (ix) **Other infrastructure**, variance due to works budgeted for but not completed in the 2014-2015 financial year on Eltham Town Square. These works are to be completed in the 2015-2016 financial year.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015 2014

## NOTE 3 RATES AND CHARGES

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

The valuation base used to calculate general rates for 2014-2015 was \$13.86 billion (2013-2014 \$13.21 billion). The rate in the dollar for each type of rate to be levied was:

General	0.003287	0.003133
Farm land	0.002794	0.002663
Commercial/ industrial	0.003812	0.003634
Vacant land – residential and specified low density residential zones	0.006573	0.006265
Cultural and recreational land	0.001267	0.001208
	<b>\$'000</b>	<b>\$'000</b>
General rates	46,434	42,270
Municipal charge	2,304	2,652
Waste management charge	7,742	7,559
Service rates and charges	–	–
Special rates and charges	281	275
Supplementary rates and rate adjustments	–	–
<b>Total rates and charges</b>	<b>56,761</b>	<b>52,756</b>

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

\$000 \$000

## NOTE 4 STATUTORY FEES AND FINES

Infringements and costs	684	537
Court recoveries	24	19
Town planning fees	346	317
Land information certificates	39	37
Animal infringements	68	68
Permits	164	166
<b>Total statutory fees and fines</b>	<b>1,325</b>	<b>1,144</b>

## NOTE 5 USER FEES

Aged services	275	269
Leisure centre and recreation	7,402	8,827
Child care/children's programs	385	405
Registration and other permits	661	626
Building services	19	17
Waste management services	401	507
Subdivision supervision	142	159
Pound release	36	23
Adult education	434	464
Edendale farm	235	204
Environmental health	218	184
Hall and sport ground hire	344	296
Other fees and charges	192	146
<b>Total user fees</b>	<b>10,744</b>	<b>12,127</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

	2015 \$000	2014 \$000
<b>NOTE 6 GRANTS</b>		
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Commonwealth funded grants	5,696	2,728
State funded grants	6,499	7,444
<b>Total</b>	<b>12,195</b>	<b>10,172</b>
<b>Operating Grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Victoria Grants Commission	4,994	1,677
Other	35	34
<b>Recurrent – State Government</b>		
Adult education	510	508
Community health	84	70
Aged care, senior citizens centres	1,462	1,354
Community planning	57	48
Economic development	17	–
Emergency management	16	16
Environment	86	64
Family and children	1,055	1,039
Metro access	122	117
Recreation	14	–
School crossing supervisors	143	141
Other	(51)	35
<b>Total recurrent operating grants</b>	<b>8,544</b>	<b>5,103</b>
<b>Non-recurrent – Commonwealth Government</b>		
Community planning	37	–
<b>Non-recurrent – State Government</b>		
Adult education	102	7
Community planning	84	133
Economic development	3	32
Emergency management	344	344
Environment	536	585
Family and children	121	90
Recreation	39	60
Other	–	142
<b>Total Non-recurrent operating grants</b>	<b>1,266</b>	<b>1,393</b>
<b>Total operating grants</b>	<b>9,810</b>	<b>6,496</b>
<b>Capital Grants</b>		
<b>Non-recurrent – Commonwealth Government</b>		
Environment	50	450
Roads to recovery	580	567
<b>Non-recurrent – State Government</b>		
Community planning	10	18
Emergency management	49	133
Environment	192	212
Family and children	1,503	2,297
Recreation	1	(1)
<b>Total Non-recurrent capital grants</b>	<b>2,385</b>	<b>3,676</b>
<b>Total capital grants</b>	<b>2,385</b>	<b>3,676</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

**NOTE 6**  
(cont.)

**GRANTS**

**Conditions on grants**

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

Grants for community planning	163	89
Grants for economic development and major projects	15	1,104
Grants for emergency management	169	–
Grants for environment and strategic planning	432	186
Grants for family and children's programs	379	138
Grants for leisure services	20	45
Grants for metro access	51	67
Grants for bushfire initiatives/emergency management	13	104
Grants for youth services	18	9
Grants for adult education programs	85	63
Grants for arts programs	–	65
Grants for infrastructure maintenance	–	39
Grants for aged and disability services	564	431
Grants for fire services levy	–	22
	<b>1,909</b>	<b>2,362</b>

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Grants for adult education programs	–	33
Grants for aged and disability services	462	228
Grants for arts programs	7	–
Grants for community planning	217	262
Grants for economic development and major projects	18	–
Grants for emergency management	135	125
Grants for environment and strategic planning	693	402
Grants for family and children's programs	431	1,303
Grants for recreation and leisure services	45	105
Grants from the Grant Commission	–	1,584
	<b>2,008</b>	<b>4,042</b>

**Net increase/(decrease) in restricted assets resulting from grant revenues for the year: (99) (1,680)**

**NOTE 7**

**CONTRIBUTIONS**

Monetary	2,532	1,217
Non-monetary	1,949	3,207
<b>Total contributions</b>	<b>4,481</b>	<b>4,424</b>

*Contributions of non-monetary assets were received in relation to the following asset classes:*

Land	–	2,543
Buildings	–	–
Infrastructure	1,949	664
Other	–	–
<b>Total non-monetary contributions</b>	<b>1,949</b>	<b>3,207</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

	2015 \$000	2014 \$000
<b>NOTE 8</b>		
<b>NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>		
Proceeds of sale	4,431	1,353
Write down value of assets disposed	1,211	1,495
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>3,220</b>	<b>(142)</b>

<b>NOTE 9</b>		
<b>OTHER INCOME</b>		
Interest	955	937
Interest on rates	480	321
Other rent	347	327
Reimbursements	114	160
Sale of valuations	186	21
WorkCover insurance recoveries	118	95
Planning	64	129
Other	597	552
<b>Total other income</b>	<b>2,861</b>	<b>2,542</b>

<b>NOTE 10</b>		
<b>EMPLOYEE COSTS</b>		
<b>a) Employee costs</b>		
Wages and salaries	23,467	22,418
WorkCover	259	288
Casual staff	624	577
Superannuation	2,638	2,383
Long service leave	576	288
Fringe benefits tax	324	317
Oncost recoveries	2,629	2,457
Other	-	4
<b>Total employee costs</b>	<b>30,517</b>	<b>28,732</b>

#### b) Superannuation

Council made contributions to the following funds:

##### Defined benefit fund

Employer contributions to <i>Local Authorities Superannuation Fund (Vision Super)</i>	255	238
Employer contributions – other funds	-	-
	<b>255</b>	<b>238</b>

Employer contributions payable at reporting date.	-	-
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##### Accumulation funds

Employer contributions to <i>Local Authorities Superannuation Fund (Vision Super)</i>	1,557	1,438
Employer contributions – other funds	826	707
	<b>2,383</b>	<b>2,145</b>

<b>Total superannuation contributions</b>	<b>2,638</b>	<b>2,383</b>
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<b>Employer contributions payable at reporting date.</b>	<b>-</b>	<b>-</b>
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Additional information about Council's exposure in relation to the defined benefit fund is detailed at notes 34 and 38.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

## NOTE 11 MATERIALS AND SERVICES

### Contract payments

Leisure	7,944	8,347
External labour hire	562	737
HACC contracts	1,622	1,526
Waste services	1,477	1,555
Valuation	89	304
Other	1,898	1,607

**13,592 14,076**

### Materials and services

Materials, maintenance and equipment	6,428	7,821
Insurance premiums	963	1,090
Fleet operations	1,811	1,794
Information technology and telephone	1,692	1,630
Building maintenance	297	226
Emergency management	177	179
Planning and building services	22	28
Corporate support	88	95
Communications	224	299
Corporate information	45	59
Waste services	6	8
Stationary, printing and postage	237	248
Utilities	1,229	1,160
Bushfire	924	1,046
Subscriptions and memberships	119	123
Other	425	442

**14,687 16,248**

**Total 28,279 30,324**

## NOTE 12 BAD AND DOUBTFUL DEBTS

Parking fine debtors*	16	15
Bad debts	14	31

**Total bad and doubtful debts 30 46**

\* Bad and doubtful debts for parking 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.

## NOTE 13 DEPRECIATION AND AMORTISATION

Property	144	284
Buildings	2,334	2,145
Plant and equipment	1,111	1,150
Infrastructure	6,088	5,648

**Total depreciation and amortisation 9,677 9,227**

Refer to note 23 for a detailed breakdown of depreciation and amortisation charges.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

	2015 \$000	2014 \$000
<b>NOTE 14 BORROWING COSTS</b>		
<b>Interest:</b>		
Borrowings	979	988
Finance leases	1	4
<b>Total borrowing costs</b>	<b>980</b>	<b>992</b>

<b>NOTE 15 OTHER EXPENSES</b>		
Auditors' remuneration – VAGO – audit of the financial statements, performance statement	60	60
Auditors' remuneration – internal and grant acquittals	110	100
Councillors' allowances	238	230
Operating lease rentals	946	929
Payment agents and bank fees	160	147
Aged and family services	315	355
Strategic planning	88	78
Economic development	349	326
Council support	50	45
Planning and building	4	5
Waste management	947	1,011
Municipal laws	165	125
Environmental works	198	207
Leisure and education services	184	56
Youth services	15	12
Community development	217	165
Information technology	268	279
Arts and cultural services	101	309
Other	548	465
<b>Total other expenses</b>	<b>4,963</b>	<b>4,904</b>

## NOTE 16 INVESTMENT IN ASSOCIATES, JOINT ARRANGEMENTS AND SUBSIDIARIES

### a) Investments in associates accounted for by the equity method are:

– Yarra Plenty Regional Library Service	1,377	1,216
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#### Yarra Plenty Regional Library Service – Background

The Yarra Plenty Regional Library Service consists of nine locations and a mobile library service. Responsibility for the provision and management of the Library Service rests with the Regional Library Board, which comprises of two representatives from each of the three member councils. The Regional Library service operates as an independent legal entity and is audited annually by the Auditor General.

Council's investment in the Yarra Plenty Regional Library Service was increased by \$161,359 (increase of \$145,737 in 2013/14) due to the increase in the net assets position of the Corporation (audited at 30 June 2015). Council's equity interest based on contributions is 20.83 per cent.

<b>Fair value of Council's investment in Yarra Plenty Regional Library Service</b>	<b>1,377</b>	<b>1,216</b>
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# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

## NOTE 16 INVESTMENT IN ASSOCIATES, JOINT ARRANGEMENTS AND SUBSIDIARIES (cont.)

### Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year	474	314
Reported surplus/(deficit) for year	-	160
Transfers (to)/from reserves	-	-
Distributions for the year	-	-

**Council's share of accumulated surplus/(deficit) at end of year** 474 474

### Movement in carrying value of specific investment

Carrying value of investment at start of year	1,216	1,070
Share of surplus/(deficit) for year	161	146
Share of asset revaluation	-	-
Distributions received	-	-

**Carrying value of investment at end of year** 1,377 1,216

### Council's share of expenditure commitments

Operating commitments	-	192
Capital commitments	-	-

**Council's share of expenditure commitments** - 192

### Council's share of contingent liabilities and contingent assets

Council's share of contingent liabilities and contingent assets	-	-
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### b) Yarra Plenty Regional Library Service Contributions

**Contributions** 2,277 2,285

## NOTE 17 CASH AND CASH EQUIVALENTS

Cash on hand	6	2
Cash at bank	9,262	400
Term deposits	21,242	15,382

**Total cash and cash equivalents** 30,510 15,784

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use, these include:

	Note	2015	2014
Trust funds and deposits	25	1,308	1,166
Net increase/(decrease) in restricted assets resulting from grant revenues	6	(99)	(1,680)
Statutory cash backed and capital works reserves	28(c)	18,151	16,913

**Total restricted funds** 19,360 16,399

**Total unrestricted cash and cash equivalents** 11,150 (615)

### Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

Cash held to fund long service leave (cash at bank)	4,600	-
Cash held to fund long service leave (other financial assets)	-	4,600

**4,600 4,600**

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

	2015 \$000	2014 \$000
<b>NOTE 18 TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates debtors	5,262	5,241
Parking infringement debtors	509	512
Provision for doubtful debts – parking infringements	(279)	(263)
Other debtors	1,335	1,596
Provision for doubtful debts – other debtors	–	(73)
Miscellaneous debtors	13	79
Special charge scheme debtors	679	568
Net GST receivable	442	582
<b>Total current trade and other receivables</b>	<b>7,961</b>	<b>8,242</b>
<b>Non-current</b>		
Special rate scheme	987	1,393
Loans and advances to community organisations	–	–
<b>Total non-current trade and other receivables</b>	<b>987</b>	<b>1,393</b>
<b>Total trade and other receivables</b>	<b>8,948</b>	<b>9,635</b>
<b>a) Ageing of Receivables</b>		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:		
Current (not yet due)	959	24
Past due by up to 30 days	39	489
Past due between 31 and 180 days	56	210
Past due between 181 and 365 days	49	53
Past due by more than 1 year	475	1,075
<b>Total trade and other receivables</b>	<b>1,578</b>	<b>1,851</b>
<b>b) Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	336	320
New provisions recognised during the year	12	16
Amounts already provided for and written off as uncollectible	(69)	–
Amounts provided for but recovered during the year	–	–
<b>Balance at end of year</b>	<b>279</b>	<b>336</b>
<b>NOTE 19 OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
Term deposits	–	4,600
<b>Non-current</b>		
Investment – MAPS	5	5
<b>Total other financial assets</b>	<b>5</b>	<b>4,605</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

NOTE 20 INVENTORIES

Fuel	18	25
<b>Total inventories</b>	<b>18</b>	<b>25</b>

NOTE 21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Cost of acquisition	2,362	745
Capitalised development costs (e.g. roads, drainage)	-	-

<b>Total non-current assets classified as held for resale</b>	<b>2,362</b>	<b>745</b>
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NOTE 22 OTHER ASSETS

<b>Current</b>		
Prepayments	318	346
Accrued income	78	361

<b>Total current other assets</b>	<b>396</b>	<b>707</b>
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<b>Non-current</b>		
Accrued income	70	-

<b>Total non-current other assets</b>	<b>70</b>	<b>-</b>
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<b>Total other assets</b>	<b>466</b>	<b>707</b>
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# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	Land – specialised	Land – non-specialised	Land improvements	Total land	Buildings – heritage	Buildings – specialised	Buildings – non-specialised	Building improvements	Total buildings	Work in progress	Total property
<b>Land and buildings</b>											
At fair value 1 July 2014	–	255,009	5,788	260,797	12,608	112,374	489	–	125,471	4,192	390,460
At deemed cost	320	–	–	320	–	–	–	–	–	–	320
At anticipated restoration cost	11,401	–	–	11,401	–	–	–	–	–	–	11,401
Accumulated depreciation at 1 July 2014	(11,401)	–	(968)	(12,369)	(5,407)	(45,871)	(389)	–	(51,667)	–	(64,036)
	320	255,009	4,820	260,149	7,201	66,503	100	–	73,804	4,192	338,145
<b>Movements in fair value</b>											
Acquisition of assets at fair value	–	–	644	644	–	2,859	–	–	2,859	2,662	6,165
Revaluation increments/ (decrements)	–	–	–	–	–	–	–	–	–	–	–
Fair value of assets disposed	–	–	–	–	–	–	–	–	–	–	–
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	352	1,627	1,979	–	1,424	–	–	1,424	(3,843)	(440)
	–	352	2,271	2,623	–	4,283	–	–	4,283	(1,181)	5,725
<b>Movements in accumulated depreciation</b>											
Depreciation and amortisation	–	–	(144)	(144)	(172)	(2,157)	(5)	–	(2,334)	–	(2,478)
Accumulated depreciation of disposals	–	–	–	–	–	–	–	–	–	–	–
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	–	–	–	–	–	–	–	–	–	–
	–	–	(144)	(144)	(172)	(2,157)	(5)	–	(2,334)	–	(2,478)
<b>Land and buildings</b>											
At fair value 30 June 2015	–	255,361	8,059	263,420	12,608	116,657	489	–	129,754	3,011	396,185
At deemed cost	320	–	–	320	–	–	–	–	–	–	320
At anticipated restoration cost	11,401	–	–	11,401	–	–	–	–	–	–	11,401
Accumulated depreciation at 30 June 2015	(11,401)	–	(1,112)	(12,513)	(5,579)	(48,028)	(394)	–	(54,001)	–	(66,514)
	320	255,361	6,947	262,628	7,029	68,629	95	–	75,753	3,011	341,392

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (cont.)

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Kerb and channel	Waste management	Parks, open spaces and streetscapes	Other infrastructure	Work in progress	Total infrastructure
<b>Infrastructure</b>											
At fair value 1 July 2014	222,012	14,052	25,131	124,809	-	21,454	1,287	3,714	9,091	3,537	425,087
Accumulated depreciation at 1 July 2014	(42,802)	(4,583)	(13,646)	(39,794)	-	(12,425)	(930)	(2,409)	(5,445)	-	(122,034)
	<b>179,210</b>	<b>9,469</b>	<b>11,485</b>	<b>85,015</b>	<b>-</b>	<b>9,029</b>	<b>357</b>	<b>1,305</b>	<b>3,646</b>	<b>3,537</b>	<b>303,053</b>
<b>Movements in fair value</b>											
Acquisition of assets at fair value	3,733	-	1,236	2,044	-	431	-	53	133	959	8,589
Revaluation increments/(decrements)	9,366	(122)	(1,600)	-	-	884	-	-	-	-	8,528
Fair value of assets disposed	(647)	(112)	(665)	-	-	(15)	-	-	-	-	(1,439)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	1,756	-	23	80	-	24	-	39	-	(2,806)	(884)
	<b>14,208</b>	<b>(234)</b>	<b>(1,006)</b>	<b>2,124</b>	<b>-</b>	<b>1,324</b>	<b>-</b>	<b>92</b>	<b>133</b>	<b>(1,847)</b>	<b>14,794</b>
<b>Movements in accumulated depreciation</b>											
Depreciation and amortisation	(2,825)	(141)	(608)	(1,367)	-	(422)	(14)	(376)	(335)	-	(6,088)
Revaluation increments/(decrements)	(63)	3	474	-	-	(222)	-	-	-	-	192
Accumulated depreciation of disposals	241	26	237	-	-	12	-	-	-	-	516
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
	<b>(2,647)</b>	<b>(112)</b>	<b>103</b>	<b>(1,367)</b>	<b>-</b>	<b>(632)</b>	<b>(14)</b>	<b>(376)</b>	<b>(335)</b>	<b>-</b>	<b>(5,380)</b>
<b>Infrastructure</b>											
At fair value 30 June 2015	236,220	13,818	24,125	126,933	-	22,778	1,287	3,806	9,224	1,690	439,881
Accumulated depreciation at 30 June 2015	(45,449)	(4,695)	(13,543)	(41,161)	-	(13,057)	(944)	(2,785)	(5,780)	-	(127,414)
	<b>190,771</b>	<b>9,123</b>	<b>10,582</b>	<b>85,772</b>	<b>-</b>	<b>9,721</b>	<b>343</b>	<b>1,021</b>	<b>3,444</b>	<b>1,690</b>	<b>312,467</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

(cont.)

	Plant machinery, equipment and motor vehicles	Fixtures, fittings and furniture	Computers and telecomms	Artwork	Total plant and equipment
<b>Plant and equipment</b>					
At fair value 1 July 2014	10,132	1,954	2,721	1,805	16,612
Accumulated depreciation at 1 July 2014	(6,512)	(1,394)	(2,498)	–	(10,404)
	<b>3,620</b>	<b>560</b>	<b>223</b>	<b>1,805</b>	<b>6,208</b>
<b>Movements in fair value</b>					
Acquisition of assets at fair value	992	27	20	34	1,073
Revaluation increments/(decrements)	–	–	–	–	–
Fair value of assets disposed	(1,579)	(166)	(82)	–	(1,827)
Impairment losses recognised in operating result	–	–	–	–	–
Transfers	–	597	(597)	–	–
	<b>(587)</b>	<b>458</b>	<b>(659)</b>	<b>34</b>	<b>(754)</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(934)	(126)	(51)	–	(1,111)
Revaluation increments/(decrements)	52	–	–	–	52
Accumulated depreciation of disposals	1,240	165	82	–	1,487
Impairment losses recognised in operating result	–	–	–	–	–
Transfers	–	(584)	584	–	–
	<b>358</b>	<b>(545)</b>	<b>615</b>	<b>–</b>	<b>428</b>
<b>Plant and equipment</b>					
At fair value 30 June 2015	9,545	2,412	2,062	1,839	15,858
Accumulated depreciation at 30 June 2015	(6,154)	(1,939)	(1,883)	–	(9,976)
	<b>3,391</b>	<b>473</b>	<b>179</b>	<b>1,839</b>	<b>5,882</b>

### Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Ms B Stephen of Matheson Stephen Valuations, valuer registration no. 63034. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

(cont.)

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – specialised	–	320	–
Land – non-specialised	–	255,361	–
Land improvements	–	–	6,947
Buildings – heritage	–	–	7,029
Buildings – specialised	–	–	68,629
Buildings – non-specialised	–	–	95
Building improvements	–	–	–
<b>Total</b>	<b>–</b>	<b>255,681</b>	<b>82,700</b>

### Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an valuation undertaken by Council's General Manager Infrastructure Services, Conal Creedon, Bachelor of Engineering (Civil), Graduate Diploma in Municipal Engineering, and MBA (Technology Management). The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Council's General Manager Infrastructure Services, Conal Creedon performed valuations for bridges, roads and earthworks and drainage for 30 June 2014 on the basis of current replacement cost adjusted for age and the remaining life of asset.

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	–	–	190,771
Bridges	–	–	9,123
Footpaths and cycleways	–	–	10,582
Drainage	–	–	85,772
Recreational, leisure and community	–	–	–
Kerb and channel	–	–	9,721
Waste management	–	–	343
Parks, open spaces and streetscapes	–	–	1,021
Other infrastructure	–	–	3,444
<b>Total</b>	<b>–</b>	<b>–</b>	<b>310,777</b>

**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.

**Land held at anticipated restoration cost**, being the Plenty and Kangaroo Ground landfill sites, is recognised at cost to restore the site to the standard set out by the EPA and all applicable regulations.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$230 to \$3,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 50 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

(cont.)

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure assets are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

### Description of significant unobservable inputs into level 3 valuations, at time of 30 June 2014 valuations

ASSET	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE
Buildings	Depreciated Replacement Cost	Direct cost per square metre	\$230-\$3,500 <sup>^</sup>
		Useful life of buildings	50-100 Years <sup>#</sup>
Artwork	Market based direct comparison approach	Extent and impact of restriction of use	\$500-\$150,000 <sup>~</sup>
Roads	Depreciated Replacement Cost <sup>*</sup>	Cost per unit	Unsealed \$180 per metre Spray Seal \$279 per metre Asphalt \$552 per metre
		Useful life of roads	10-30 Years
Kerb and Channel	Depreciated Replacement Cost <sup>*</sup>	Cost per unit	Earth Channel \$7 per metre Semi Mount Concrete \$54 per metre
		Useful life of infrastructure	10-50 Years
Footpath	Depreciated Replacement Cost <sup>*</sup>	Cost per unit	Timber \$211 per metre Asphalt \$112 per metre Spray Seal \$6.77 per metre Unformed Track \$1.67 per metre
		Useful life of infrastructure	5-20 Years
Drainage	Depreciated Replacement Cost <sup>*</sup>	Cost per unit	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
		Useful life of infrastructure	50-100 Years
Bridges	Depreciated Replacement Cost <sup>*</sup>	Cost per unit	Bridges \$655-\$2,312 per metre Culverts \$110-\$2,211 per metre
		Useful life of infrastructure	50-100 Years

<sup>^</sup> Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value.

<sup>#</sup> Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.

<sup>~</sup> Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.

<sup>\*</sup> Increase or decrease in the cost per unit and/ or the estimated useful life would result in a significantly higher or lower fair value.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

(cont.)

### Reconciliation of specialised land

Land under roads	320	320
Land held at anticipated restoration cost (Plenty / Kangaroo Ground Landfill Closure)	11,401	11,401
Less: accumulated depreciation	(11,401)	(11,401)

<b>Total specialised land</b>	<b>320</b>	<b>320</b>
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## NOTE 24 TRADE AND OTHER PAYABLES

Trade payables	2,108	1,483
Accrued expenses	2,064	2,626
Prepaid income	76	–
Net GST payable	–	–

<b>Total trade and other payables</b>	<b>4,248</b>	<b>4,109</b>
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## NOTE 25 TRUST FUNDS AND DEPOSITS

Refundable deposits	236	77
Fire services levy	–	4
Retention amounts	–	285
Other refundable deposits	1,072	800

<b>Total trust funds and deposits</b>	<b>1,308</b>	<b>1,166</b>
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### Purpose and nature of items

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

**Fire Service Levy** – Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis, after each instalment date. Amounts disclosed here will be remitted to the state government in line with that process.

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

## NOTE 26 PROVISIONS

	Landfill \$ '000	Other \$ '000	Total \$ '000
<b>2015</b>			
Balance at beginning of the financial year	8,699	6,668	15,367
Additional provisions	–	3,500	3,500
Amounts used	(192)	(2,890)	(3,082)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	–	–	–
<b>Balance at the end of the financial year</b>	<b>8,507</b>	<b>7,278</b>	<b>15,785</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

NOTE 26	PROVISIONS (cont.)	Landfill \$ '000	Other \$ '000	Total \$ '000
	<b>2014</b>			
	Balance at beginning of the financial year	9,041	6,228	15,269
	Additional provisions	–	2,942	2,942
	Amounts used	(342)	(2,502)	(2,844)
	Increase in the discounted amount arising because of time and the effect of any change in the discount rate	–	–	–
	<b>Balance at the end of the financial year</b>	<b>8,699</b>	<b>6,668</b>	<b>15,367</b>
			<b>2015 \$000</b>	<b>2014 \$000</b>
	<b>(a) Employee provisions</b>			
	<b>Current provisions expected to be wholly settled within 12 months</b>			
	Annual leave		691	700
	Long service leave		911	398
			<b>1,602</b>	<b>1,098</b>
	<b>Current provisions expected to be wholly settled after 12 months</b>			
	Annual leave		1,402	1,367
	Long service leave		3,636	3,710
			<b>5,038</b>	<b>5,077</b>
	<b>Total current provisions</b>		<b>6,640</b>	<b>6,175</b>
	<b>Non-current</b>			
	Long service leave		638	493
	<b>Total non-current provisions</b>		<b>638</b>	<b>493</b>
	<b>Aggregate carrying amount of employee provisions</b>			
	Current		6,640	6,175
	Non-current		638	493
	<b>Total aggregate carrying amount of employee provisions</b>		<b>7,278</b>	<b>6,668</b>
	The following assumptions were adopted in measuring the present value of employee benefits:			
	Weighted average increase in employee costs		3.10%	3.00%
	Weighted average discount rates		2.36%	3.13%
	<b>(b) Land fill restoration</b>			
	Current		1,051	500
	Non-current		7,456	8,199
	<b>Total land fill restoration</b>		<b>8,507</b>	<b>8,699</b>
	<b>(c) Aggregate carrying amount of provisions</b>			
	Current		7,691	6,675
	Non-current		8,094	8,692
	<b>Total</b>		<b>15,785</b>	<b>15,367</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

NOTE 27 INTEREST-BEARING LOANS AND BORROWINGS

**Current**

Finance leases	4	24
Borrowings – secured	2,273	1,521

	<b>2,277</b>	<b>1,545</b>
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**Non-current**

Finance leases	–	–
Borrowings – secured	12,826	13,620

	<b>12,826</b>	<b>13,620</b>
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<b>Total</b>	<b>15,103</b>	<b>15,165</b>
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**a) The maturity profile for Council's borrowings is:**

Not later than one year	2,273	1,521
Later than one year and not later than five years	3,521	4,480
Later than five years	9,305	9,140

<b>Total</b>	<b>15,099</b>	<b>15,141</b>
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**b) The maturity profile for Council's finance lease liabilities is:**

Not later than one year	4	24
Later than one year and not later than five years	–	–
Later than five years	–	–

<b>Total</b>	<b>4</b>	<b>24</b>
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Minimum future lease payments	4	25
Less future finance charges	–	(1)

<b>Present value of minimum lease payments</b>	<b>4</b>	<b>24</b>
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Council's obligations under finance leases were for the lease of mobile garbage bins, Volvo Loader and Hino Sweeper (the sum of which was recognised as a liability after deduction of future lease finance charges included in the obligation). Council's obligations were discharged during the financial year on conclusion of the finance lease arrangement.

**c) Aggregate carrying amount of interest-bearing loans and borrowings:**

Current	2,277	1,545
Non-current	12,826	13,620

<b>Total</b>	<b>15,103</b>	<b>15,165</b>
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# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 28 RESERVES

	Balance at beginning of reporting period \$'000	Increment/ (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2015</b>			
<b>Property</b>			
Land, land improvements and playgrounds	147,764	(1,330)	146,434
Buildings	12,473	248	12,721
<b>Total property</b>	<b>160,237</b>	<b>(1,082)</b>	<b>159,155</b>
<b>Plant and Equipment</b>			
Plant, machinery and vehicles	535	–	535
Furniture, equipment and computers	689	–	689
Artwork	801	–	801
<b>Total plant and equipment</b>	<b>2,025</b>	<b>–</b>	<b>2,025</b>
<b>Infrastructure</b>			
Roads	58,068	396	58,464
Bridges	3,579	(119)	3,460
Footpaths and cycleways	–	(1,124)	(1,124)
Drainage	45,234	–	45,234
Kerb and channel	–	662	662
Traffic treatments	–	8,908	8,908
Other infrastructure	401	–	401
<b>Total infrastructure</b>	<b>107,282</b>	<b>8,723</b>	<b>116,005</b>
<b>Total asset revaluation reserves</b>	<b>269,545</b>	<b>7,641</b>	<b>277,186</b>
<b>2014</b>			
<b>Property</b>			
Land, land improvements and playgrounds	145,380	2,384	147,764
Buildings	11,419	1,054	12,473
<b>Total property</b>	<b>156,799</b>	<b>3,438</b>	<b>160,237</b>
<b>Plant and Equipment</b>			
Plant, machinery and vehicles	535	–	535
Furniture, equipment and computers	689	–	689
Artwork	801	–	801
<b>Total plant and equipment</b>	<b>2,025</b>	<b>–</b>	<b>2,025</b>
<b>Infrastructure</b>			
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
<b>Total infrastructure</b>	<b>110,207</b>	<b>(2,925)</b>	<b>107,282</b>
<b>Total asset revaluation reserves</b>	<b>269,032</b>	<b>513</b>	<b>269,545</b>

The asset revaluation reserve is used to record the increased net value of Council's assets over time.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 28 RESERVES (cont.)

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.

	Balance at beginning of reporting period \$'000	Transfer (to)/ from accum. surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>			
<b>2015</b>			
<b>Statutory cash backed reserves</b>			
Car parks	97	–	97
Open space	413	197	610
Yarrambat drainage scheme	388	2	390
Yarrambat drainage extension area	144	1	145
Street light contributions	28	–	28
Street trees	76	–	76
<b>Total cash backed statutory reserves</b>	<b>1,146</b>	<b>200</b>	<b>1,346</b>
<b>Discretionary reserves</b>			
Public art program	155	(22)	133
Carried forward projects	6,086	965	7,051
Information technology	232	139	371
Leisure centre profit share	100	50	150
Plant replacement	1,340	575	1,915
Property management	661	2,733	3,394
Bridgeford Estate	51	2	53
Plenty and Kangaroo Ground landfill restoration	4,211	(1,337)	2,874
Development planning overlays: infrastructure	1,698	383	2,081
Development contribution plans: open space	2,209	446	2,655
Development contribution construction	172	4	176
Native vegetation	227	42	269
Grants program management	20	105	125
Bushfire grants	30	(30)	–
Special rates	1	3	4
MAV bond repayment	–	342	342
Unallocated	106	–	106
Defined benefit superannuation potential future calls	–	735	735
<b>Total discretionary reserves</b>	<b>17,299</b>	<b>5,135</b>	<b>22,434</b>
<b>Total other reserves</b>	<b>18,445</b>	<b>5,335</b>	<b>23,780</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 28 RESERVES

(cont.)

	Balance at beginning of reporting period \$'000	Transfer (to)/ from accum. surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves (cont.)</b>			
<b>2014</b>			
<b>Statutory cash backed reserved</b>			
Car parks	97	–	97
Open space	567	(154)	413
Yarrambat drainage scheme	377	11	388
Yarrambat drainage extension area	140	4	144
Street light contributions	28	–	28
Street trees	76	–	76
<b>Total cash backed statutory reserves</b>	<b>1,285</b>	<b>(139)</b>	<b>1,146</b>
<b>Discretionary reserves</b>			
Public art program	129	26	155
Carried forward projects	9,232	(3,146)	6,086
Information technology	141	91	232
Leisure centre profit share	207	(107)	100
Plant replacement	1,150	190	1,340
Property management	1,123	(462)	661
Bridgeford Estate	55	(4)	51
Plenty and Kangaroo Ground Tip restoration	3,478	733	4,211
Development planning overlays: infrastructure	2,246	(548)	1,698
Development contribution plans: open space	1,741	468	2,209
Development contribution construction	168	4	172
Native vegetation	94	133	227
Grants program management	25	(5)	20
Bushfire grants	30	–	30
Special rates	–	1	1
Unallocated	64	42	106
<b>Total discretionary reserves</b>	<b>19,883</b>	<b>(2,584)</b>	<b>17,299</b>
<b>Total other reserves</b>	<b>21,168</b>	<b>(2,723)</b>	<b>18,445</b>
		<b>2015</b>	<b>2014</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>(c) Statutory cash backed and capital works reserves</b>			
Statutory cash backed reserves		1,346	1,146
Discretionary reserves:			
Carried forward projects		7,051	6,086
Plant replacement		1,915	1,340
Bridgeford Estate		53	51
Plenty and Kangaroo Ground landfill restoration		2,874	4,211
Development planning overlays: infrastructure		2,081	1,698
Development contribution plans: open space		2,655	2,209
Development contribution construction		176	172
<b>Total externally restricted reserves</b>		<b>18,151</b>	<b>16,913</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

2015  
\$000

2014  
\$000

NOTE 29	RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)	2015 \$000	2014 \$000
	Surplus/(deficit) for the year	15,025	6,659
	Depreciation/amortisation	9,677	9,227
	(Profit)/loss on disposal of property, infrastructure, plant and equipment	(3,220)	142
	Share of net (profits)/losses of associates and joint ventures	(161)	(146)
	Contributions – non-monetary assets	(1,949)	(3,207)
	Other	980	992
	<b>Change in assets and liabilities:</b>		
	(Increase)/decrease in trade and other receivables	281	(2,021)
	(Increase)/decrease in prepayments	28	(80)
	(Increase)/decrease in accrued income	283	729
	Increase/(decrease) in trade and other payables	139	631
	(Increase)/decrease in inventories	7	(5)
	Increase/(decrease) in provisions	418	98
	(Decrease)/increase in trust funds	142	118
	<b>Net cash provided by/(used in) operating activities</b>	<b>21,650</b>	<b>13,137</b>

NOTE 30	RECONCILIATION OF CASH AND CASH EQUIVALENTS	2015 \$000	2014 \$000
	Cash and cash equivalents (see note 17)	30,510	15,784
	Less bank overdraft	–	–
	<b>Total cash and cash equivalents</b>	<b>30,510</b>	<b>15,784</b>

NOTE 31	FINANCING ARRANGEMENTS	2015 \$000	2014 \$000
	Bank overdraft and drawdown available	1,145	1,145
	Used facilities	–	–
	<b>Total unused facilities</b>	<b>1,145</b>	<b>1,145</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 32 COMMITMENTS

The Council has entered into the following commitments:

	Not later than 1 year \$000	Later than 1 year and not later than 2 years \$000	Later than 2 year and not later than 5 years \$000	Later than 5 years \$000	Total \$000
<b>2015</b>					
<b>Operating</b>					
Sport and leisure	37	387	1,343	–	1,767
Garbage collection	–	–	–	–	–
Strategic community programs	250	–	–	–	250
Infrastructure	–	–	–	–	–
<b>Total</b>	<b>287</b>	<b>387</b>	<b>1,343</b>	<b>–</b>	<b>2,017</b>
<b>Capital</b>					
Buildings	3,209	–	–	–	3,209
Roads	–	–	–	–	–
Drainage	–	–	–	–	–
<b>Total</b>	<b>3,209</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,209</b>
	Not later than 1 year \$000	Later than 1 year and not later than 2 years \$000	Later than 2 year and not later than 5 years \$000	Later than 5 years \$000	Total \$000
<b>2014</b>					
<b>Operating</b>					
Sport and leisure	129	1,260	660	–	2,049
Garbage collection	28	–	–	–	28
Strategic community programs	1,437	–	–	–	1,437
Infrastructure	2,267	–	–	–	2,267
<b>Total</b>	<b>3,861</b>	<b>1,260</b>	<b>660</b>	<b>–</b>	<b>5,781</b>
<b>Capital</b>					
Buildings	–	–	–	–	–
Roads	–	–	–	–	–
Drainage	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## NOTE 33 OPERATING LEASES

### Operating lease commitments

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

	2015 \$000	2014 \$000
Not later than one year	1,110	1,228
Later than one year and not later than five years	3,098	3,539
Later than five years	583	801
<b>Total</b>	<b>4,791</b>	<b>5,568</b>

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount. Additional information about Council's exposure in relation to the defined benefit fund is detailed at note 38.

### 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 currently no 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 2015 (\$20,000 in 2014). Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Liability Mutual Insurance – MAV Insurance. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

### Professional indemnity

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 2015 (\$20,000 in 2014). Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Liability Mutual Insurance – MAV Insurance. 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.

	2015 \$000	2014 \$000
<b>Guarantees for loans to other entities</b>		
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	13
Eltham Recreation Bowling Club	60	60
Kangaroo Ground Tennis Club	50	50
Greensborough Hockey Club	350	350
<b>Total guarantees for loans to other entities</b>	<b>863</b>	<b>863</b>

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

### 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 REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 35 FINANCIAL INSTRUMENTS

### (a) Objectives and policies

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

### (b) Market risk

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

#### *Interest rate risk*

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

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

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

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

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

### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some 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
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

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

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

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.

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 35 FINANCIAL INSTRUMENTS

(cont.)

### (d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

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

### e) Fair value

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

### *Fair value hierarchy*

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

### (f) Sensitivity disclosure analysis

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

- A parallel shift of plus one per cent and minus one per cent in market interest rates (AUD) from year-end rates of 4.05 per cent.

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 36 RELATED PARTY TRANSACTIONS

### (i) Responsible Persons

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

#### Councillors (elected 27 October 2012)

Cr Helen Coleman (Mayor 27/10/2014 – 30/06/2015)

Cr Bronnie Hattam

Cr Ken King

Cr Meralyn Klein

Cr Peter Perkins

Cr Anika Van Hulsen

Cr Michael Young (Mayor 1/07/2014 – 27/10/2014)

#### Chief Executive Officer

Stuart Burdack

### (ii) Remuneration of Responsible Persons

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

	2015	2014
\$1 – \$9,999	–	–
\$10,000 – \$19,999	–	–
\$20,000 – \$29,999	5	5
\$30,000 – \$39,999	1	1
\$40,000 – \$49,999	–	1
\$50,000 – \$59,999	–	–
\$60,000 – \$69,999	1	–
\$200,000 – \$249,999	–	–
\$250,000 – \$300,000	1	1
<b>Totals</b>	<b>8</b>	<b>8</b>

	\$'000	\$'000
Total remuneration for the reporting year for Responsible Persons included above:	521	521

### (iii) Senior officers remuneration

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

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$136,000

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

Income range:	2015	2014
\$130,000 – \$139,999	5	3
\$140,000 – \$149,999	9	8
\$150,000 – \$159,999	1	3
\$160,000 – \$169,999	–	–
\$170,000 – \$189,999	–	–
\$190,000 – \$199,999	3	2
\$200,000 – \$209,999	1	2
<b>Totals</b>	<b>19*</b>	<b>16</b>

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above:	2,702	2,910

\* Increase in number of senior officers attributed to overlapping employment. Total number of senior offices at 30 June 2015 was 18.

### (iv) Responsible persons retirement benefits

No retirements benefits have been made by the Council to a Responsible Person (2013-14 nil).

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

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## NOTE 36 RELATED PARTY TRANSACTIONS

(cont.)

### (v) Loans to responsible persons

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2013-2014 nil).

### (vi) Transactions with responsible persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or related parties of such Responsible Person during the reporting year (2013-2014 nil).

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## NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE

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

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## NOTE 38 SUPERANNUATION

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

### **Accumulation**

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5 per cent required under Superannuation Guarantee legislation [for 2013-2014, this was 9.25 per cent]).

### **Defined Benefit**

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

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

### **Funding arrangements**

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

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the Vested Benefit Indexed (VBI) of the defined benefit category of which Council's a contributing employer was 103.4 per cent. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment return	7.5% per annum
Salary inflation	4.25% per annum
Price inflation (CPI)	2.75% per annum

Vision Super has advised that the estimated VBI at 31 March 2015 was 108.5 per cent.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

## NOTE 38 SUPERANNUATION (cont.)

### Employer contributions

#### Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, 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 2015, this rate was 9.5 per cent of members' salaries. This rate will increase in line with the required Superannuation Guarantee (SG) contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

#### Funding calls

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

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

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

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

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

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

#### Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$77.1 million
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

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

Council was notified of the results of the actuarial investigation during January 2015.

#### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of Scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined benefits	9.5%	255	238
Vision Super	Accumulation	9.5%	1,557	1,438
All other funds	Accumulation	9.5%	826	707

Council has nil amount owing as at 30 June 2015.

# CERTIFICATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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



**Vincenzo Lombardi CA, Principal Accounting Officer**

Date: 25 August 2015

## GREENSBOROUGH

In our opinion the accompanying financial statements present fairly the financial transactions of Nillumbik Shire Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

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

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



**Councillor Helen Coleman (Mayor)**

Date: 25 August 2015



**Councillor Meralyn Klein**

Date: 25 August 2015



**Stuart Burdack, Chief Executive Officer**

Date: 25 August 2015

## GREENSBOROUGH

# AUDITOR GENERAL'S REPORT

ON THE FINANCIAL REPORT AND STANDARD STATEMENTS

## VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors, Nillumbik Shire Council

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the Nillumbik Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

##### *The Councillors' Responsibility for the Financial Report*

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

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

##### *Auditor's Responsibility*

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

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

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

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

# AUDITOR GENERAL'S REPORT

ON THE FINANCIAL REPORT AND STANDARD STATEMENTS

## 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.

### *Opinion*

In my opinion the financial report presents fairly, in all material respects, the financial position of the Nillumbik Shire Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE  
14 September 2015

  
John Doyle M.Acc FCA  
Auditor-General

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

## Description of municipality

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.

Nillumbik has a population of 62,872 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities. Nillumbik has a relatively healthy and affluent community which lives largely in family units in single dwelling properties.

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.

## Sustainable Capacity Indicators

INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>Population</b>		
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,220.30	Resident population is the main determinant of service demand and costs.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$6,316.21	Infrastructure value excluding land.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	82.08	Council is responsible for 766 kilometres of roads as at 30 June 2015.
<b>Own-source revenue</b>		
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,194.05	Resident population is the main determinant of service demand and costs.
<b>Recurrent grants</b>		
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$135.90	Resident population is the main determinant of service demand and costs.
<b>Disadvantage</b>		
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	10.00	The resident population of the municipality has a high socio-economic status.

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

## Service Performance Indicators

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>Aquatic Facilities</b>		
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.18	Outdoor pool is calculated on door counter visits. Indoor pool is calculated as direct visits plus 11.9% of membership usage as per annual survey.
<b>Animal Management</b>		
<b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	5.00	Three of the prosecutions were for owners of dogs that attacked. The remaining two prosecutions (one failing to register their dog and one for a dog wandering) were a result of dog owners requesting their matters to be heard at a Magistrates Court.
<b>Food Safety</b>		
<b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	92.41%	73 out of 79 notifications were followed up during 2014-2015. The remaining notifications were followed up after 30 June 2015 because of an administrative anomaly.
<b>Governance</b>		
<b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	66.70	This was a new question asked in our 2015 Annual Community Survey, so we do not have a previous result with which to compare it. In 2014 the result for 'responsiveness to community needs' was 67.7.
<b>Home and Community Care (HACC)</b>		
<b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	24.50%	These figures are based on our population not funded hours of service. Council is currently delivering above its funded target hours for all services within the HACC program.
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	23.74%	Nillumbik Shire has a very small CALD population hence the participation rate. All CALD clients have been able to access a service that they are eligible to receive.
<b>Libraries</b>		
<b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	24.88%	This is the percentage of library members who have borrowed a library collection item from the Eltham and/or the Diamond Valley Libraries within the reporting period excluding eBooks.

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

## Service Performance Indicators

SERVICE/INDICATOR/MEASURE	2015	MATERIAL VARIATIONS
<b>Maternal and Child Health (MCH)</b>		
<b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.15%	At the 10 key stages and ages of Maternal and Child Health visits, Nillumbik is at or above the State average.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	76.00%	At the 10 key stages and ages of Maternal and Child Health visits, Nillumbik is at or above the State average.
<b>Roads</b>		
<b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.60	This is an increase on the 2014 result of 62.6.
<b>Statutory Planning</b>		
<b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	36.36%	Last year the corresponding figure was 58%. This year's lower than normal figure is somewhat distorted by the fact that there were a smaller number of VCAT appeals determined this year (11 compared to 19 for the previous two years).
<b>Waste Collection</b>		
<b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	70.33%	Council entered into a 15-year contract with a new facility that accepts green waste for processing. At the same time, a comprehensive community education campaign was undertaken to encourage residents to put the correct items in their green bins.
<b>Economic Development (optional)</b>		
<b>Economic activity</b> <i>Change in number of businesses</i> [Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100	1.01%	There was a very small percentage increase in the number of businesses with an ABN at the end of the financial year compared with the start of the financial year.

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

## Financial Performance Indicators

	RESULTS	FORECASTS				
DIMENSION/INDICATOR/MEASURE	2015	2016	2017	2018	2019	MATERIAL VARIATIONS
<b>Efficiency</b>						
<b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$2,462.80	\$2,597.51	\$2,697.87	\$2,800.03	\$2,904.27	Lack of commercial/ industrial properties causes higher residential rates.
<b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,186.83	\$3,210.71	\$3,298.29	\$3,399.22	\$3,491.20	Resident population is the main determinant of service demand and costs. Council has a very high ratio of residents per property assessment.
<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	5.68%	5.76%	5.76%	5.76%	5.76%	Turnover levels are stable.
<b>Liquidity</b>						
<b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	265.70%	258.73%	238.71%	260.76%	268.98%	Strong result is driven by significant amounts of restricted cash which is held for specific future projects.
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	71.82%	132.59%	99.60%	113.31%	114.22%	Result is within target range.
<b>Stability</b>						
<b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	66.41%	73.55%	74.09%	74.42%	74.66%	Council relies primarily on rates as the main funding source to deliver services and infrastructure for the community. Limited other funding sources available.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.41%	0.43%	0.43%	0.43%	0.43%	Includes general rates, municipal charge and waste management charge.

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

## Financial Performance Indicators

	RESULTS	FORECASTS				
DIMENSION/INDICATOR/MEASURE	2015	2016	2017	2018	2019	MATERIAL VARIATIONS
<b>Obligations</b>						
<b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	52.09%	69.81%	122.64%	82.18%	75.73%	Council is progressively increasing its funding for asset renewal
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	26.74%	24.37%	27.91%	27.25%	27.26%	Borrowings remain within the low-risk range.
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.47%	3.04%	2.93%	2.79%	2.55%	Borrowings remain within the low-risk range.
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	27.87%	29.88%	32.62%	31.88%	31.54%	Borrowings remain within the low-risk range.
<b>Operating position</b>						
<b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	9.79%	4.57%	4.93%	5.17%	5.81%	Council maintains a surplus to ensure ongoing financial sustainability.

## Note 1 Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 23 June 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

# CERTIFICATION OF THE PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

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



**Vincenzo Lombardi CA, Principal Accounting Officer**

Date: 25 August 2015

## GREENSBOROUGH

In our opinion, the accompanying performance statement of Nillumbik Shire Council for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



**Councillor Helen Coleman (Mayor)**

Date: 25 August 2015



**Councillor Meralyn Klein**

Date: 25 August 2015



**Stuart Burdack, Chief Executive Officer**

Date: 25 August 2015

## GREENSBOROUGH

# AUDITOR GENERAL'S REPORT

ON THE PERFORMANCE STATEMENT

## VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000  
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Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://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 2015 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.

**AUDITOR  
GENERAL'S REPORT**  
ON THE PERFORMANCE STATEMENT

**Independent Auditor's Report (continued)**

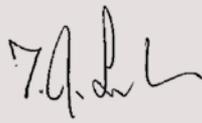
*Independence*

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 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
14 September 2015

  
for John Doyle M.Acc FCA  
Auditor-General



# GLOBAL REPORTING INITIATIVE

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Nillumbik Shire Council's 2014-2015 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 second 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
<b>GENERAL STANDARD DISCLOSURE</b>		
<b>Strategy and analysis</b>		
G4-1	Statement from most senior decision maker	10-11
<b>Organisational profile</b>		
G4-3	Name of organisation	4
G4-4	Primary brand, products and services	43-83
G4-5	Location of headquarters	4, back page
G4-6	Number of countries in which the organisation operates	7, 21
G4-7	Nature of ownership and legal form	17
G4-8	Markets served	21
G4-9	Scale of organisation (total number of employees, number of operations, net revenue, quantity of products or services provided)	12-13, 24-31, 43-83,
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	24-31
G4-11	Percentage of employees covered by collective bargaining agreements	27, 30
G4-12	Organisation's supply chain	94
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)	91
G4-15	List of externally developed economic, environmental and social charters, principles or other initiatives which the organisation subscribes/endorse	97
G4-16	List of membership of associations and national advocacy organisations in which the organisation: <ul style="list-style-type: none"> <li>• Holds a position</li> <li>• Participates in projects and committees</li> <li>• Provides substantive funding beyond memberships due</li> <li>• Views membership as strategic</li> </ul>	97

# GLOBAL REPORTING INITIATIVE

## GRI Content Index for 'in accordance' – core (cont.)

GRI INDICATOR	DESCRIPTION	PAGE
<b>GENERAL STANDARD DISCLOSURE</b>		
<b>Identified material aspect and boundaries</b>		
G4-17	List all entities in the organisations consolidated financial statements	100-155
G4-18	Explain the process for defining report content and the aspect boundaries	4, 38
G4-19	List all material aspects identified in the process for defining report content	4, 38
G4-20	For each material aspect, report the aspect boundary within the organisation	17
G4-21	For each material aspect, report the aspect boundary outside the organisation	43-83
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
<b>Stakeholder Engagement</b>		
G4-24	List of stakeholder groups engaged by the organisation	4
G4-25	Basis for identification and selection of stakeholders	4
G4-26	Organisation's approach to stakeholder engagement	35-36
G4-27	Key topics and concerns raised during stakeholder engagement and how organisation responded	32-34
<b>Report profile</b>		
G4-28	Reporting period	4
G4-29	Date of most recent previous report	4
G4-30	Reporting cycle	4, 38
G4-31	Contact point for questions regarding the report or content	4
G4-32	Report the 'in accordance' option GRI content index Reference to external assurance report if applicable	156
G4-33	Assurance – organisation's current policy and practice for seeking external assurance	146-147, 154-155
<b>Governance</b>		
G4-34	Governance structure of the organisation, identify any committees responsible for decision-making on economic, environmental and social impacts	85-86
<b>Ethics and Integrity</b>		
G4-56	Organisation's values, principles, standards and norms of behaviour such as code of conduct and code of ethics	28, 30, 87

LAUGHTER

COSY

CREATE

Where there  
is Art  
There is HOPE

open  
Door

MOYIVATES

# ANNUAL FINANCIAL REPORT

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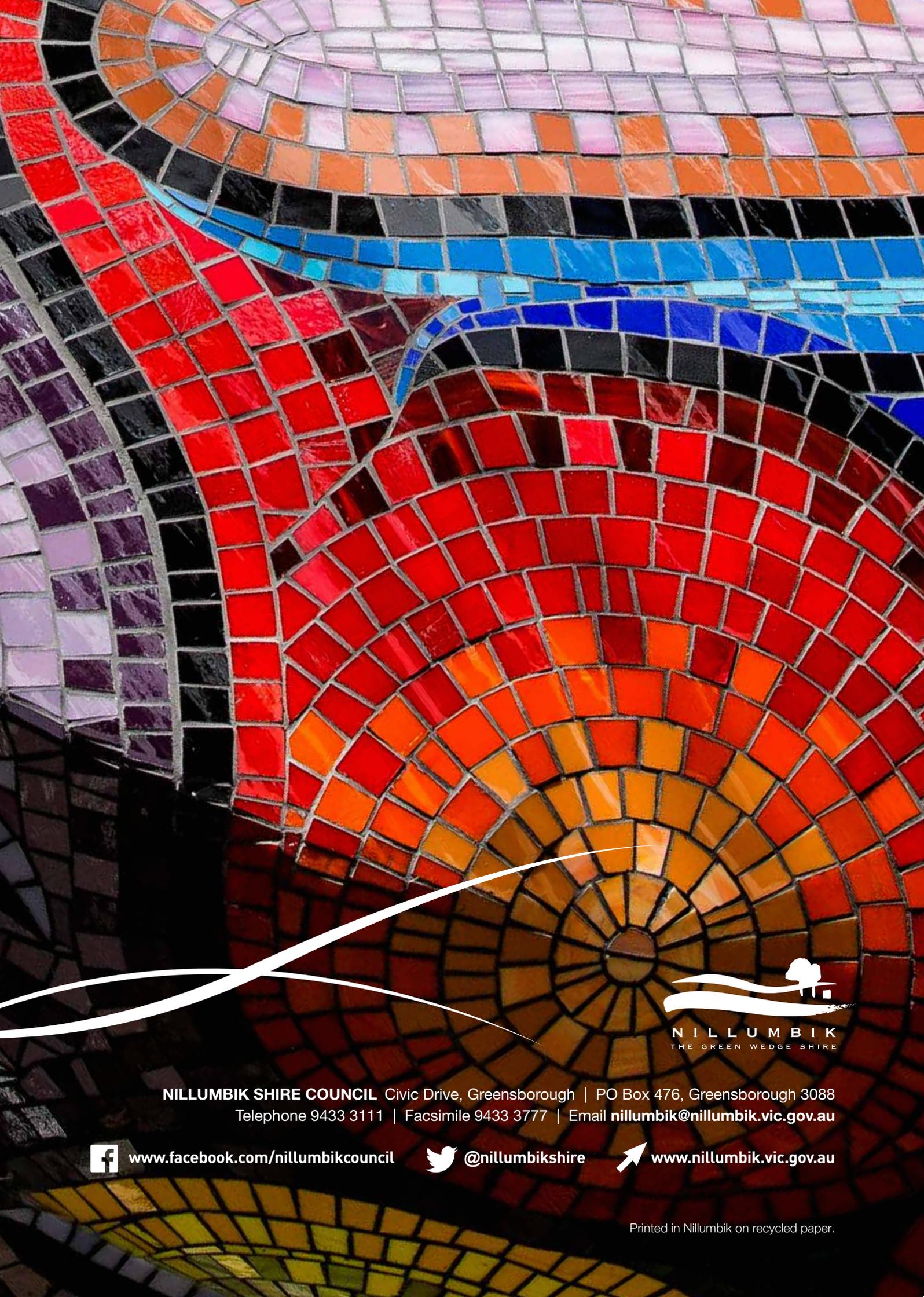
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**NILLUMBIK**  
THE GREEN WEDGE SHIRE

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