

ANNUAL REPORT

2016-2017





YEAR IN REVIEW

COUNCIL PLAN GOAL – OUR COMMUNITY

ACHIEVEMENTS	CHALLENGES	THE YEAR AHEAD
<p>Municipal Emergency Management Plan (MEMP) is audited as 'best practice'</p> <p>A major redevelopment of Research Park pavilion is approved</p> <p>Significant progress is made on the \$11m Diamond Creek to Hurstbridge Trail project</p> <p>New managers appointed for Eltham Leisure Centre</p>	<p>A local preschool closed because of declining numbers</p>	<p>Undertake planning and consultation and secure funding for the redevelopment of Diamond Valley Sports and Fitness Centre</p>

COUNCIL PLAN GOAL – OUR NATURAL ENVIRONMENT

ACHIEVEMENTS	CHALLENGES	THE YEAR AHEAD
<p>\$234,000 State Government funding for solar panels on the roof of Community Bank Stadium, Diamond Creek</p> <p>The approval of a planning scheme amendment clears up the confusion around burgan</p>	<p>Planning Scheme amendment C101 is abandoned and C81 lapses after representations to the Planning Minister</p>	<p>A comprehensive review of the Nillumbik Planning Scheme involving community engagement</p>

COUNCIL PLAN GOAL – OUR BUILT ENVIRONMENT

ACHIEVEMENTS	CHALLENGES	THE YEAR AHEAD
<p>Construction well underway on the \$19.35m redevelopment of the aquatics at Eltham Leisure Centre</p> <p>The Eltham Community and Reception Centre reopens after a \$3.43m refurbishment to make it more accessible</p> <p>Council wins an Open Space Planning Award for the Northern Region Trails Strategy</p>	<p>Council will review town centre design guidelines for Eltham and Diamond Creek following a VCAT approval of 100 dwellings in Eltham town centre</p>	<p>Council will investigate housing options across the Shire targeting sites that would address the needs of older people wishing to downsize and remain in the Shire as well as families with an adult child with a disability</p>

COUNCIL PLAN GOAL – OUR ECONOMY

ACHIEVEMENTS	CHALLENGES	THE YEAR AHEAD
<p>Council won gold at the RACV Victorian Tourism Awards for its Artisan Hills branding and marketing campaign.</p>	<p>Council will review and update the Eltham Major Activity Centre Structure Plan and the Diamond Creek twenty20 Structure Plan in 2018</p>	<p>A visionary plan for precincts 3 and 4 in the Eltham Activity Centre will be approved</p>

COUNCIL PLAN GOAL – OUR COUNCIL

ACHIEVEMENTS	CHALLENGES	THE YEAR AHEAD
<p>Australia Day Awards and a citizenship ceremony were held on 26 January for the first time at Community Bank Stadium, Diamond Creek</p> <p>69 candidates contested seven vacancies in the general council election with a voter turnout of more than 80%</p>	<p>The 2016-2017 Annual Community Survey results showed a decline in community satisfaction with the previous Council's performance</p>	<p>For the first time in the Shire's history, Nillumbik Council is proposing no rate rise in the 2017-2018 Budget</p>

ABOUT THE ANNUAL REPORT

Nillumbik Shire Council's Annual Report 2016-2017 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 2016-2017 financial year against the five strategic objectives set out in the Council Plan 2013-2017 and Budget 2016-2017.

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 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 2016.

The structure of this report

This report is divided into four sections:

- An overview of Nillumbik Shire Council and the community we serve (pages 2-35)
- Our performance against the five strategic objectives on the Council Plan 2013-2017 (page 36)
- Corporate information and statutory reporting (page 74)
- Financial performance and performance against our key strategic activities (page 90)

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 nillumbik.vic.gov.au
- Telephoning Customer Service on 9433 3111
- Sending an email to nillumbik@nillumbik.vic.gov.au
- Writing to Nillumbik Shire Council, PO Box 476 Greensborough Vic 3088

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

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NILLUMBIK SHIRE COUNCIL

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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 63,158 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities.

Nillumbik is a collection of townships, each with its own unique identity and heritage, including the tiny villages of Smiths Gully, Watsons Creek, Arthurs Creek, Strathewen, Panton Hill, Christmas Hills, Kangaroo Ground and St Andrews, as well as the very rural township of Hurstbridge.

The major activity centres are Eltham, Diamond Creek and Hurstbridge. 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 unique and diverse landscape. Residents feel connected to their local townships and have a strong sense of community. The community values and wants to enhance the Green Wedge with its history and diversity its open spaces, bushland environment and artistic heritage.

Council and private landholders work collaboratively to act as custodians of the Green Wedge.

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 96.5 per cent of our residents employed either full or part time. Of those, 67.4 per cent drive their car to work. More than 85 per cent of our residents own or are purchasing their home.

At a glance

Area	431.94 square kilometres
Total population	63,158
Rateable properties	23,326
Percentage of population aged 0-17 years	24.2%
Percentage of population aged 60 years and over	19.8%
High income households (\$2500 per week or more)	35%
Low income households (less than \$650 per week)	9.9%
Couples with children	47%
Couples without children	24.7%
Medium and high density housing	6.5%
Households with a mortgage	47.8%
Households renting	9.3%
Households speaking a language other than English at home	9%
University attendance (Bachelor or higher)	24.9%
Unemployment	3.5%
People who travelled to work by car (either as driver or passenger)	71%



MESSAGE FROM THE MAYOR

COUNCILLOR PETER CLARKE
Nillumbik Shire Council Mayor

The 2016-2017 financial year was one that saw significant change at Nillumbik – both at a political and organisational level.

Council election

The general council election in October saw six new Councillors elected and one returned. This result was a clear mandate for change.

I was honoured to be elected Mayor in early November and pledged to lead a cohesive, innovative Council that takes fiscal responsibility seriously and recognises the responsibility and stewardship of our unique environment while providing the essential services for our community.

CEO resigns

In December we accepted the resignation of CEO Stuart Burdack after six years. The Council thanked Mr Burdack for his significant contribution to the Nillumbik community.

Mark Stoermer was appointed Acting CEO in early February and in April, after an extensive recruitment and selection process, Council resolved to appoint Mark as Nillumbik's Chief Executive Officer.

Mark's combination of strategic focus, experience in local government at senior levels plus private sector management, finance and marketing skills with empathy for the environment made him the standout candidate. The Council had confidence that Mark will display strong leadership, collaboration and team work to bring the staff and the community along on the journey to deliver our Council Plan.

Council Plan 2017-2021

The new Council Plan 2017-2021 was adopted in June.

We all love living in this wonderful Green Wedge landscape and the Council Plan details our ambitious vision to make Nillumbik Australia's most liveable Shire. Titled Living in the Landscape, the Council Plan articulates that the Shire of Nillumbik is not just about the Green Wedge and the natural environment, but also the people who live in it.

We released the draft plan for community comment. All residents were sent a flyer with details about the draft plan and there were four consultation sessions held and an online form on Council's website. Following this successful engagement program, more than 160 people provided us with their feedback. Our residents supported our vision evident in the plan.

Highlights

There were many highlights during the 2016-2017 financial year.

For the first time in the Shire's history, Council proposed no rate rise in the 2017-2018 Budget. We achieved this milestone while reducing debt and improving services.

Through the election process the community told us they wanted the rate rises of the past to cease and we delivered on that. Councillors and officers worked on the Budget for some time and, through careful planning and making efficiencies, we were able to announce to our residents that we will not put the rates up in the 2017-2018 rate year.

At the same time we also committed to providing the biggest expenditure on community facilities and infrastructure in our history.

In November, Council won gold at the prestigious RACV Victorian Tourism Awards in the Local Government section for our Artisan Hills branding and marketing campaign.

After three years of research, development, planning and extensive consultation with industry and locals, the name 'The Artisan Hills' was proudly chosen as the new brand, with the tagline 'Naturally Creative', reflecting the true offering of the region.

When Council was elected in November one of our first steps was to confirm the abandonment of C101 and then request that the Minister for Planning reject Amendment C81. The election result was a clear message from our community that they were unhappy with the lack of consultation and impacts that Planning Scheme Amendments C81 and C101 had on their properties. We know that further work needs to be done to ensure that our neighbourhood character is maintained and the beautiful landscape of the Nillumbik Shire is protected.

For the first time our Australia Day Awards and citizenship ceremony was held at Community Bank Stadium in Diamond Creek. I was thrilled to announce our very worthy Australia Day Award recipients and induct 49 local residents as new Australian citizens.

Council hosted its first ever Nillumbik Seasonal Sports Club Forum. It enabled all clubs and local associations across the Shire to come together and workshop how Council can deliver the best possible sporting outcomes through the planning, management and maintenance of our seasonal sport facilities. The forum provided seasonal clubs with the opportunity to identify issues facing their sport and to identify the facilities they need to respond to growing demands.

The rejuvenated \$3.43 million renovation of the Eltham Community and Reception Centre officially opened its doors. The centre is Nillumbik's premiere function venue providing a fully-accessible and functional community space, which retains the unique character of the original iconic mudbrick building.

A pop up labyrinth popped up in Diamond Creek just in time for the June school holidays and proved a huge hit with local children.

Council's Environment and Open Space and Leisure teams constructed the labyrinth from of straw bales. This fun, short term installation for the school holidays was based on an idea from the OMNI (Older Men:New Ideas) group. At the end of the school holidays, the straw bales were used for animal food at Edendale Farm.

It is a privilege and honour to serve the community. We have high hopes and expectations to achieve the very best outcomes for the residents of Nillumbik. I thank my fellow Councillors and Council officers for rising to the challenge to achieve these outcomes and which contribute to our vision to make Nillumbik Australia's most liveable Shire.

P. Clarke .



MESSAGE FROM THE CEO

MARK STOERMER
Nillumbik Shire Council CEO

I came to Nillumbik Shire Council as Acting CEO in early February 2017 and I was thrilled to be permanently appointed to the role by Council in April.

During my first few weeks I saw many opportunities for the Councillors and officers to work together to deliver great outcomes for the community and I am grateful for the opportunity to lead the organisation on this next exciting stage in its history.

C101 investigation

Shortly after the Council election in October, the new Council announced an independent investigation into the circumstances surrounding the failure of Council to notify the Minister for Planning of the abandonment of Planning Scheme Amendment C101 in April 2016.

Amendment C101 to the Nillumbik Planning Scheme proposed a review of the Environmental Significance Overlay across the Shire and became a contentious election issue.

The report from Christopher Wren QC was handed down in February and highlighted a number of issues for me, as CEO, to address. Those findings include a review of Council's Instrument of Delegation; a review of how legal advice is provided to Councillors; improved communication and community engagement processes;

a review of Council's vegetation offset program and broader issues around organisational culture and accountability.

The Executive Summary was made publicly available on Council's website but the full report remains confidential.

Organisational restructure

In April, I proposed a restructure of the organisation which will enable the administration to deliver on the policy and project priorities of the new Council and its new vision for Nillumbik as Australia's most liveable Shire.

Council developed a new Council Plan 2017-2021 which articulates this vision and how it is to be achieved.

The structural changes were significant and involved moving from four departments to three departments – better aligning functions and removing duplication, removing hierarchy and breaking down silos, increasing efficiency, productivity and performance. There were some redundancies but there was also some investment in new positions where there is was current skill gap and demonstrated need.

This new structure, along with the Council Plan and our internal Organisational Culture and Capability Strategy (OCCS), will focus the

administration's efforts on service delivery, better support for Councillors, better collaboration and partnerships with the community and better customer experience.

The new departments are Business and Strategy (growing the business), Services and Planning (delivering the business) and Sustainability and Place (underpinning the business), with some corporate support functions such as governance, finance and organisational development reporting directly to me.

I was very pleased to welcome three new Directors to those positions – Rachel Cooper (Business and Strategy), Matt Kelleher (Services and Planning) and Hjalmar Phillip (Sustainability and Place).

This is a contemporary and innovative way of structuring local government, and it provides some exciting opportunities for staff to take on new challenges and opportunities that have not previously existed.

Change can be hard and it's not always perfect. A change management process was developed for the organisation and implemented alongside a communications plan to ensure that staff were well informed of the proposed changes and understood how the proposal will benefit and impact them.

Community engagement

Improved communication and community engagement is one of the highest priorities of the new Council and is articulated in the Council Plan 2017-2021.

Annual survey results told us that the community had lost confidence in Council's capacity to engage meaningfully with them. Nowhere was this more evident than in the rural areas of the Shire where there was a 34 per cent decline in satisfaction with community consultation and engagement, most probably because of the proposed Planning Scheme Amendments C101 and C81.

One of my priorities was to employ a community engagement specialist as part of the organisational restructure and this role will continue to be pivotal in building the capacity of staff to engage genuinely with residents and ratepayers on issues which affect them.

I look forward to us doing some great work in this space in the next financial year.

The year ahead

There are 107 priority actions in the Council Plan 2017-2021 so there is a lot of work for the administration to do – in partnership with Council and the community – in the year ahead.

That work will include the completion of some major projects such as the \$19 million aquatics redevelopment at Eltham Leisure Centre and well as planning for others such as the revitalisation of Eltham Precincts 3 & 4, a masterplan for the 40-year-old Diamond Valley Sports and Fitness Centre and further work on the \$11 million Diamond Creek to Hurstbridge Trail.

In line with Council's direction, rate increases will be kept within the State Government's cap. We will continue to engage with and advocate for our community on important issues such as North East Link.

We will market Nillumbik as a destination of choice and build on The Artisan Hills brand; we will engage our community in a genuine conversation about the review of the Nillumbik Planning Scheme and we will ensure we are prepared for the fire danger period. All this while delivering the services that meet the needs and expectations of our community.

I would like to thank Councillors and staff for their hard work throughout a year which saw significant change at Nillumbik. I am confident that this change is for the better.



FINANCIAL SUMMARY

Council continues to deliver another strong financial result, outperforming budget expectations by five million dollars.

Overview

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

Council achieved an operating surplus of \$15.92 million in 2016-2017. This strong result exceeds the adopted budgeted surplus of \$10.6 million. The positive result is driven primarily by grant funding and developer contributions received during the year. The result is buoyed by active management of operational expenditure across Council where actual spend overall is reflective of the adopted budget.

Council has continued to maintain a strong cash position of \$37.9 million. The funds are held in short term investments in compliance with the *Local Government Act 1989*. Of the total cash balance, \$29.23 million or 77 per cent is held for a specific purpose, restricting the use of these funds.

The overall debt position of Council continues to improve. No new

borrowings were taken out during the year and the existing portfolio is diminishing. Council foresees no risk in its ability to service the existing loans and does not expect to take out any new loans.

The balance sheet illustrates a strengthening financial position through the growth in net assets. This growth is largely promoted through the continued work undertaken on Council's extensive property and infrastructure portfolio. The ongoing work has seen Council maintain, improve and expand facilities for the community.

The healthy financial position continues to be seen when measuring Council's ability to meet its short term financial obligations. The liquidity ratio result indicates Council has sufficient levels of cash to cover short term financial obligations. This ratio is considered important in the assessment of Council being able to continue operations from a financial perspective.

	2017 \$'000	2016 \$'000
Surplus	15,922	4,693
Cash	37,910	33,220
Debt	13,460	14,303
Net Assets	776,063	760,141
Liquidity	3.53*	3.51

*estimated result at time of publishing

The overall financial outlook of Council for the 2016-2017 year has shown a positive result and places Council in a strong position to continue financially sustainable operations into the future.

SUSTAINABILITY REPORT

Council was awarded a \$33,200 grant to develop a plan to explore how environmentally friendly vehicles can be utilised within its fleets.

Environmental sustainability

Soft/flexible plastic bags recycling

Council began collecting soft/flexible plastic bags in the kerbside yellow lid recycling bins in November 2016. Nillumbik is one of four participating councils in the project which intends to reduce waste to landfill in a way that is convenient for residents.

Residents received an introductory letter and instructional collection bags as part of a broader communications plan about the project.

Things that can be included as part of the flexible plastics collection are:

- Plastic shopping bags
- Plastic packaging from groceries like bread, rice, pasta, toilet paper and frozen foods
- Inner cereal/biscuit wraps
- Clean cling wrap and freezer bags
- Plastic wrapping from appliances
- Plastic postal bags and plastic pockets
- Bubble wrap

Funds awarded for business energy efficiency

Council was successful in obtaining a \$35,180 grant from Sustainability Victoria to be used to help local businesses develop and implement energy efficiency strategies.

The funds will employ a project officer to train local business owners, restaurateurs and café managers about the many benefits of energy efficiency in the workplace. This important project will help businesses to help themselves. Working out how

to save on their energy usage will not only increase the efficiency of their businesses but also help to improve the environment.

Fine for tree removal in Nillumbik

A local developer pleaded guilty to the illegal removal of trees at a property in Diamond Street, Eltham and was fined \$30,000. The joint fine and costs of \$38,000 is the biggest ever issued in Nillumbik and reflects the seriousness of the destruction of our natural environment.

Removing significant trees is something that Council takes very seriously and while the significant trees have been lost forever, Council hopes that a \$30,000 fine acts as a deterrent to any other developer working in our Shire.

Leading the way with green cars

Council was awarded a \$33,200 grant to develop a plan to explore how environmentally friendly vehicles can be utilised within its fleets.

The announcement was made as part of the State Government's Collaborative Council – Sustainability Fund Partnerships program. Nillumbik will conduct feasibility studies assessing how to reduce emissions from fleet vehicles for Darebin City, Manningham City, Moreland City and Yarra City councils.

In conjunction with a consultant Council will investigate how taking action to ensure vehicles in the fleet are the right size and type for their task and how they can reduce environmental impacts by limiting emissions and reducing transport costs.



Social Sustainability

Welcome refugees

Council voted to sign a Refugee Welcome Zone Declaration in advance of the arrival in Eltham of a number of Syrian refugees.

In Victoria, 43 council areas are declared as Refugee Welcome Zones and in the Northern Region of metropolitan Melbourne, all councils had signed the public declaration except Nillumbik.

A Refugee Welcome Zone is a local government area which has made a commitment to welcoming refugees into the community, upholding their human rights, demonstrating compassion and enhancing cultural and religious diversity in the community.

New home for Eltham Men's Shed

A new home was been found for the 45 members of Eltham Men's Shed – the Wattleree Preschool site in Eltham. The group had outgrown its current location at St Vincent's Aged Care Facility and had been looking for a new home for some time.

Council undertook some preliminary investigations to find a new location for the group in 2016 and when Early Childhood Management Services notified Council that they would be closing Wattleree Preschool due to under-utilisation, the location was identified as an ideal solution for the Eltham Men's Shed.

Men's Sheds are very popular providing a vital service for men who have retired. They're an important part of improving men's health and well-being and they are proving to be a real success across Nillumbik. Men's Sheds play an important role within the community by providing useful assets and services such as making habitat boxes for wildlife or helping out with catering at community events.

Financial sustainability

No rate increase

For the first time in the Shire's history, Nillumbik Council is proposing no rate rise in the 2017-2018 Budget.

Through the election process the new Council heard from the community that they wanted the rate rises of the past to cease and Council proposed to deliver upon that.

The Budget for 2017-2018 proposes no increase in property rates and charges. The rate in the dollar, the municipal charge and the waste management charge were all maintained at existing levels.

This means that the vast majority of properties will have the same rates and charges in 2017-2018 as for the previous year.

\$2.1m from Growing Suburbs Fund

The Minister for Local Government Natalie Hutchins visited Nillumbik to announce \$2.1 million in funding for Council from the Interface Councils Growing Suburbs Fund.

Projects funded were:

- Greensborough Civic Drive Precinct Open Space redevelopment – \$950,000
- Research Park Pavilion upgrade – \$650,000
- Edendale Community Environment Farm redevelopment – \$500,000

ABOUT COUNCIL

In accordance with the *Local Government Act 1989*, 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.

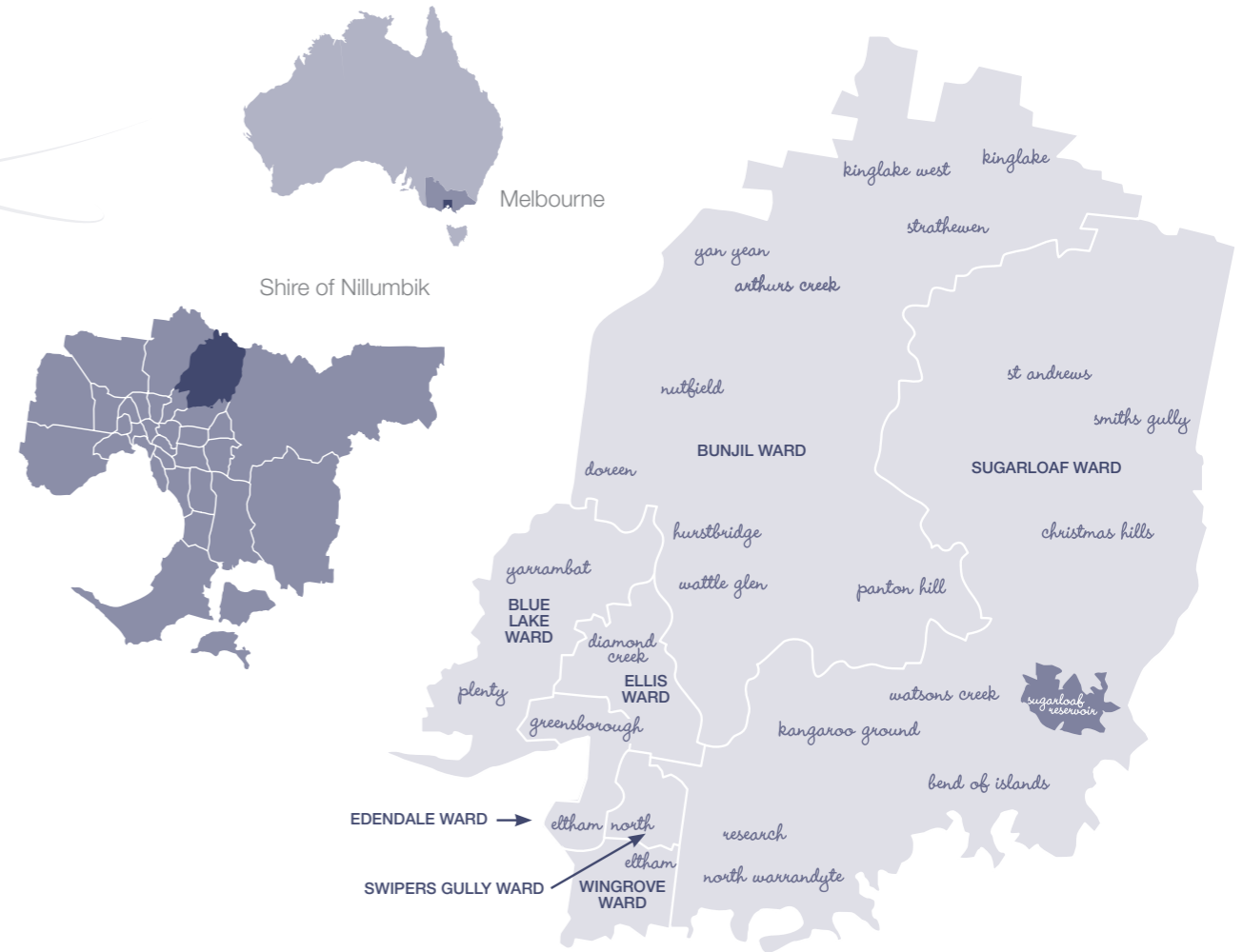
General Council Election 2016

In April 2016, Council entered into an Electoral Service Agreement with the Victorian Electoral Commission (VEC) for the provision of electoral services to Council for the four-year period beginning 1 July 2016, including the conduct of the 2016 general election.

The general election was conducted by postal ballot and in accordance with the *Local Government Act 1989* (the Act) and the *Local Government (Electoral) Regulations 2016* (the Regulations).

Some key results were:

- Nillumbik's voter turnout was 80.96 per cent which was higher than the 2012 election (76.69 per cent) and higher than the state average in 2016 (75.67 per cent)
- Nillumbik's informal vote of 3.67 per cent was slightly higher than 2012 (3.12 per cent) but is still lower than the state average (6.06 per cent).
- There were 48,215 voters enrolled across the seven wards
- A total of 69 nominations were received across the seven wards
- The number of ballot papers returned, both formal and informal, was 80.96 per cent. The informal vote was 3.67 per cent.
- The VEC mailed out 48,214 ballot packs and, in total, 39,136 ballot papers were admitted to the counting process
- 209 ballot packs were returned to the Returning Officer as 'return to sender' mail



At the completion of counting, the following candidates were declared elected for a four-year term:



Cr Peter Clarke
Mayor
WINGROVE WARD
0401 100 141
Peter.Clarke@nillumbik.vic.gov.au



Cr John Dumaresq
EDENDALE WARD
0439 556 733
John.Dumaresq@nillumbik.vic.gov.au



Cr Karen Egan
Deputy Mayor
BUNJIL WARD
0408 058 899
Karen.Egan@nillumbik.vic.gov.au



Cr Peter Perkins
ELLIS WARD
0437 455 064
Peter.Perkins@nillumbik.vic.gov.au



Cr Grant Brooker
BLUE LAKE WARD
0427 207 819
Grant.Brooker@nillumbik.vic.gov.au



Cr Jane Ashton
SUGARLOAF WARD
0409 177 500
Jane.Ashton@nillumbik.vic.gov.au



Cr Bruce Ranken
SWIPERS GULLY WARD
0402 384 006
Bruce.Ranken@nillumbik.vic.gov.au

YOUR COUNCILLORS



Cr Peter Clarke
(Mayor)
WINGROVE WARD
Chair Finance and Governance Portfolio
Elected 2016

An Eltham resident for 25 years, Cr Peter Clarke came to Nillumbik with experience as a former Councillor at Melbourne City (2006-2012) and Heidelberg (1981-1989).

Cr Clarke is an architect and has also served as Chair of the Yarra Plenty Library, is a previous Board Member of the Austin Hospital and other government and community groups, including Vicurban, Places Victoria, Rotary and YMCA to name a few.

Wingrove Ward covers Eltham South.



Cr Karen Egan
(Deputy Mayor)
BUNJIL WARD
Chair Economic Development and Marketing Portfolio
Elected 2016

Cr Karen Egan has been a resident in Nillumbik for the past 25 years and joined Council to represent landowners in the rural parts of the Shire, as well as in urban areas, with honesty and transparency, and proper consultation prior to decision making.

Cr Egan has five children and is a fine-art photographer, as well as the owner of an organic, healthy food franchise with her eldest daughter.

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



Cr Grant Brooker
BLUE LAKE WARD
Chair Environment and Sustainability Portfolio
Elected 2016

Cr Grant Brooker was a founding member of the Friends of Apollo Parkways (FoAP) and has been a resident there with his family for the past 19 years.

Cr Brooker is an independent councillor and considers planning applications with neighbourhood character and local amenity among his priorities.

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



Cr John Dumaresq
EDENDALE WARD
Chair Infrastructure Portfolio
Elected 2016

Cr Dumaresq is a determined advocate for open and responsive local government.

As an Edendale resident Cr Dumaresq has served his community for many years as a member of sporting groups, charities and advisory committees. He is passionate about preserving the beautiful Green Wedge while being a rational voice on development.

Cr Dumaresq and his partner live in Edendale with their two daughters and Cr Dumaresq is currently working in the construction industry.

Edendale Ward covers Eltham North and parts of Diamond Creek.



Cr Peter Perkins
ELLIS WARD
Chair Planning Portfolio
Elected 2010, re-elected 2012, 2016

First elected to Council in 2010, Cr Perkins was re-elected to the Ellis Ward in 2016.

While he has delivered for Diamond Creek over the past seven years, he believes more needs to be done. Projects he would like to see in his ward include an upgraded community centre, a library, a redeveloped local swimming pool, a regional playground and improved connectivity and an easing of traffic congestion.

Cr Perkins is a firefighter for the Metropolitan Fire Brigade and has more than 25 years' community service as a member of the Diamond Creek CFA, including 10 years as Captain.

Ellis Ward covers Diamond Creek and surrounds.



Cr Jane Ashton
SUGARLOAF WARD
Chair Community Services Portfolio
Elected 2016

Living in Nillumbik for the past 25 years, Cr Ashton loves being part of a dynamic rural community.

Cr Ashton is concerned about ensuring that all rural townships in Nillumbik are included in funding and planning, both now and in the future.

Cr Ashton is married with two children and owns a horse agistment property.

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



Cr Bruce Ranken
SWIPERS GULLY WARD
Chair Social Infrastructure Portfolio
Elected 2016

Cr Bruce Ranken is an Eltham resident who enjoys the community feel of Eltham along with the semi-rural townships located throughout the region and the many beautiful walking trails.

Concerned with the cost of rates and value for money Cr Ranken said he became frustrated with the ever increasing rates and the lack of common sense within the decision-making process. Rather than sitting back, he thought I should roll his sleeves up and have a go.

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

ABOUT NILLUMBİK

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 63,158 people (2016 Census) who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities.

More than 24 per cent of Nillumbik's residents are aged 0-17 years and more than 19 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 2016, there was a higher proportion of couple families with children as well as a lower proportion of one-parent families. Overall, 47 per cent of total families were couples with children compared to 33.5 per cent for greater Melbourne, and 9.2 per cent were one-parent families compared to 10.1 per cent for greater Melbourne. There was a lower proportion of lone person households (13.8 per cent compared to 22 per cent in greater Melbourne) and a similar proportion of couples without children (24.7 per cent) compared to 22.9 per cent in greater Melbourne.

Analysis of the types of dwellings in Nillumbik Shire in 2016 shows that 93 per cent of all dwellings were separate houses; 6.4 per cent were medium density dwellings, and 0.1 per cent were high density dwellings, compared with 66.1 per cent, 22.9 per cent, and 10 per cent in the Greater Melbourne respectively.

(Source: Census 2016)

The Green Wedge Shire

The Shire of Nillumbik is renowned as the Green Wedge Shire or the 'lungs of Melbourne'. 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. Kinglake National Park, reserve and bushland, together with lifestyle properties, hobby farms, orchards, wineries and broad acre farms all make up this unique landscape.

Nillumbik is a collection of townships, each with its own unique identity and heritage, the tiny villages of Smiths Gully, Watsons Creek, Arthurs Creek, Strathewen, Panton Hill, Christmas Hills, Kangaroo Ground and St Andrews, as well as the very rural township of Hurstbridge. 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 unique and diverse landscape.

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

Council and private landholders work collaboratively to act as custodians of the Green Wedge.



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 of open grassy woodland, with relatively shallow soils dominated by long-leaved 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.

The Arthurs Creek and Strathewen areas have seen a long history of orchards and quality cattle farming, yet still retain many stands of ancient eucalypts and a wide variety of fauna and flora.

The Yarra River flows majestically through Nillumbik, around the special rural conservation living zone of the Bend of Islands, onto Warrandyte, Research and Eltham, providing bushland and flood plain environments.

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 – Diamond Creek, Arthurs Creek and Watsons Creek – 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

Nillumbik is an arts-rich environment. 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 is showcased at local, regional and international forums. The Shire also has a strong performing arts community.

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. Horse riding and bike riding are also popular recreational activities. Nillumbik's participation in more structured sports such as tennis, golf, football and netball are all higher than the State and National averages and the Shire is experiencing unprecedented growth in women's participation in sport.

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

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.



Mark Stoermer
Chief Executive Officer

Mark joined Nillumbik as Chief Executive Officer in March 2017.

A hands-on leader who builds strong performing teams through coaching, mentoring, collaboration, clear goal setting and bringing out the best in people, Mark is an executive well versed in multiple strategy development techniques who understands the financial drivers of businesses and industries.

He is an experienced Lean thinker who regularly applies continuous improvement techniques to all types of problems and opportunities and is a person whom stakeholders can trust to deliver business results with the highest level of governance and ethics.

Mark has held a number of senior positions in both the public and private sectors, most notably as the Executive Director of Corporate Services at Box Hill Institute, Director Corporate Business at the City of Melbourne and as CEO of Fordham Group Melbourne.

Mark holds a number of degrees including a MVA Finance, New York University, BA Honours, University of California at Berkley and is currently completing his CPA accreditation.



Rachel Cooper
Director Business and Strategy

A highly experienced leader and change agent with more than 15 years executive experience across strategy, brand and marketing management, business transformation, stakeholder engagement and public sector reform, Rachel joined Nillumbik from Wyndham City Council as Director of Business and Strategy.

Rachel has been instrumental in leading organisations to achieve measurable results in growth and efficiency, through a combination of strategic vision, astute leadership, creative problem solving, sound governance and strong commercial acumen. She has developed and executed economic development and destination marketing strategies, including four years at the South Australian Tourism Commission as a Project Manager within the Major Events Division. A number of years within State Government saw Rachel take a lead role in the investment bid for the \$9 billion Air Warfare Destroyer contract and trade delegations to Western Europe and the USA.

Rachel holds tertiary qualifications in Business, Marketing and Organisational Development, post graduate qualifications in Art and Entertainment Management and an MBA.



Hjalmar Philipp
Director Sustainability and Place

Multi-disciplined in engineering, environment and economics, Hjalmar brings a wealth of global experience and expertise to Nillumbik as Director Sustainability and Place.

His diverse career has encompassed enterprise change management, engineering, planning and sustainability responsibilities in industries as diverse as oil and gas, engineering and professional consulting.

Hjalmar has lead a variety of projects with a strong focus on service improvements; established cultures with a continuous improvement focus and driven improved performance across the service industries he was operating within.

Hjalmar's expertise has been demonstrated through significant environmental and engineering projects in a number of sectors including water utilities, energy, government (federal, state and local), banking and finance, mining and others.

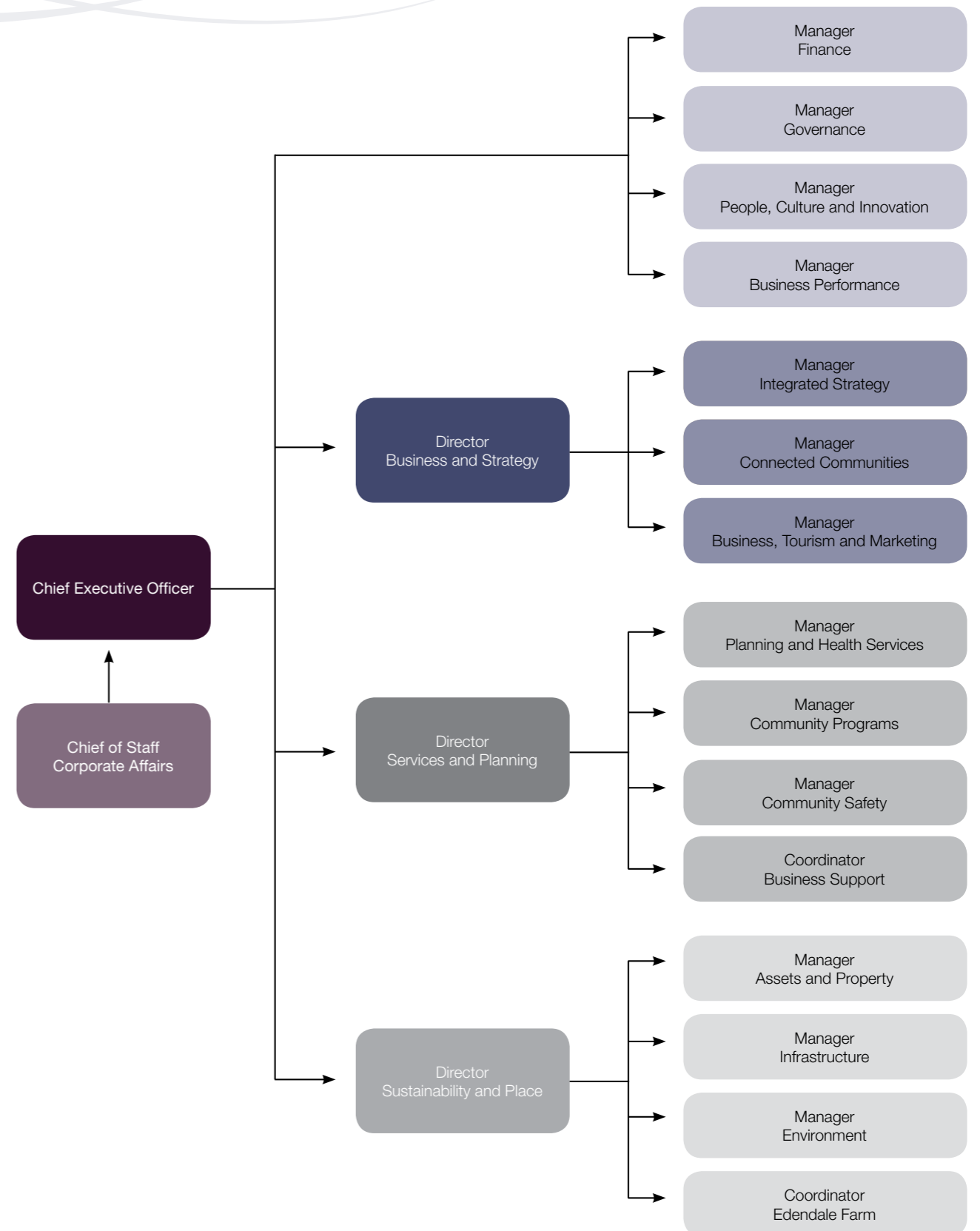


Matt Kelleher
Director Services and Planning

With more than 15 years' experience as a leader in the local government sector, Matt's expertise spans a broad range of disciplines in planning, strategy, regulation, economic programs and organisational development. Matt joined Nillumbik in 2017 from Bayside City Council where he was most recently interim Director City Planning and Community Services.

Matt has a strong track record of delivering on a range of complex strategic projects, with strong community and stakeholder engagement supporting his ability to make a positive difference to benefit communities. Experience in service reviews and strong leadership in strategy, change and improvement have enabled Matt to deliver better services and greater public value.

Matt is a strategically minded leader and energetic in putting plans into action. He has delivered on a range of projects focused on urban planning, enhanced community liveability, service performance and organisational capability uplift to address significant challenges in the external environment. Matt holds an MBA along with tertiary qualifications in Planning (B.App.Sci Planning) and Management (Grad.Dip.Mgt).



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	CORPORATE SERVICES	COMMUNITY AND LEISURE	ENVIRONMENT AND PLANNING	INFRASTRUCTURE SERVICES	TOTAL
Permanent Full-time	Female	2.00	17.00	14.00	14.00	6.00	53.00
	Male	0.00	17.00	4.00	24.00	100.00	145.00
Permanent Part-time	Female	0.00	14.01	30.90	17.51	4.16	66.58
	Male	0.00	1.80	1.80	6.04	0.89	10.53
Temporary Full-time	Female	0.00	1.00	5.00	2.00	2.00	10.00
	Male	1.00	0.00	1.00	1.00	2.00	5.00
Temporary Part-time	Female	0.00	3.38	9.99	3.95	1.58	18.90
	Male	0.00	0.40	0.60	0.40	0.40	1.80
Casual	Female	0.00	0.09	0.27	0.12	0.01	0.49
	Male	0.00	0.00	0.04	0.06	0.00	0.10
Total		3	54.68	67.6	69.08	117.04	311.40

Employment classification and gender

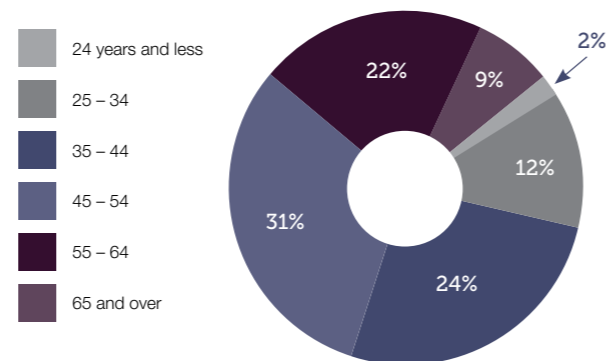
CLASSIFICATION	FEMALE	MALE	TOTAL
Band Not Applicable	21.16	49.00	70.16
Band 1	5.11	3.53	8.64
Band 2	3.45	2.37	5.82
Band 3	2.70	44.01	46.71
Band 4	24.40	14.41	38.81
Band 5	34.92	23.31	58.23
Band 6	36.85	17.00	53.85
Band 7	15.44	7.80	23.24
Band 8	0.00	1.00	1.00
Nurses	4.94	0.00	4.94
Total	148.97	162.43	311.40

Please note: Band NA includes annualised and contract staff

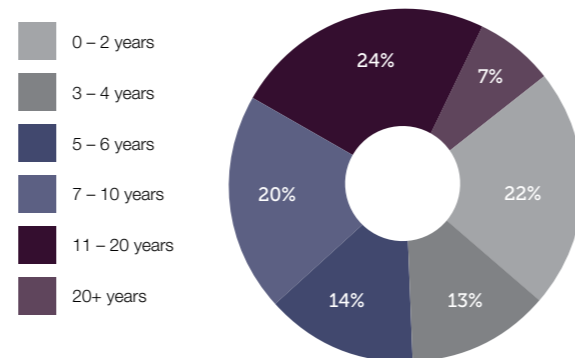
Our workforce

DESCRIPTION	TOTAL
Total staff	460
Total FTE	311
Turnover of permanent staff for 2015-2016 year	13.95%
Flexible Work Arrangements	92

Employees by age group 2016-2017



Employees by length of service 2016-2017



OUR PEOPLE

Equal Opportunity

Nilumbik 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 develop and implement 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 2016-2017 financial year include:

INDICATOR	RESULT
The Equal Opportunity Committee to meet quarterly as per the statutory requirements of the program.	The committee met on a quarterly basis throughout the year to discuss proactive staff training, measures, and employment statistics. Policy and program discussions included the endorsement of the updated Equal Employment Opportunity, Anti-Discrimination, Bullying and Harassment Policy, gender equity considerations, and contact officer support.
An annual review of workplace demographics and wage equity against key employment matters.	An annual action plan was endorsed by the committee informed by the annual review of workplace statistics, demographic and wage equity information. Annual workforce demographics and other statistical data were reviewed to assess the EO program and meet legislative reporting requirements. Specifically, data pertaining to gender, age, new starters, terminations, wage equity, flexible work practices and EO compliance training and EO induction.

The committee has determined the following proactive training measures for this year:

INDICATOR	RESULT
Contact officer training Contact Officers are trained within three months of appointment to the role. Maintain a ratio of one contact officer per 50 Council employees.	Contact officers Council had 10 contact officers in 2016-2017 financial year maintaining a ratio of 1:50.
New employee training All new employees (with computer access) are assigned on-line EEO compliance training with 100% of new employees completing the EEO training within six months of commencement. (Target 100%) Develop and implement an EO induction program for new employees without computer access.	New employee training At the end of the reporting period, there were six employees who had yet to complete the online employee induction within six months of employment in the 2016-2017 financial year.
All staff training To deliver staff training programs with a focus on diversity. Develop and implement some pro-active measures for managers to communicate EO principles in quarterly staff meetings.	All staff training <i>Foundations of Culturally Compliant Practice</i> was delivered to a targeted group of Council staff from across Council to promote the management of culturally sensitive issues in line with the arrival of refugees in our community. School Crossing Supervisors were provided with a half day training session conducted by the Victorian Equal Opportunity and Human Rights Commission. Development of online guidance tools for managers to support them in understanding and undertaking their role and responsibilities with regards to our people. (To be released in 2017-2018.) Development of an in house program <i>Communicating in a Diverse World</i> . Implementation of training was deferred.

OUR PEOPLE

Nilumbik vision, values and behaviours

The way we work together and provide services to the Nilumbik community is guided by a culture reflected in Nilumbik's vision and values.

Our vision is to *Listen, Adapt, Deliver...* *Relentless in the pursuit of excellence; where our customers come first, we are one and we are smart, efficient and agile.*

All employees are expected to embrace our vision and make a genuine commitment and contribution to the organisation's values and behaviours.

Our vision is underpinned by our values of:

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

Employee Code of Conduct

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

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

Organisation Capability and Culture

The Organisation Capability and Culture Strategy (OCCS) complements the Council Plan 2017-2021 and provides a high level representation of the drivers for change and priority outcomes for delivering services which are in line with current and future community needs.

The strategy supports the organisation in achieving its vision and more specifically it aims to manage the pace of change by focussing on what matters.

It details two-year rolling action plans intended to build capability and to effectively deliver on our desired outcomes.

The action plan and related projects continued to build organisational capability particularly in the areas of service profiling, workforce planning; community engagement and continuous improvement. These projects build on work done to date and take the organisation into the new reporting period.

During the 2016-2017 year, work progressed on a number of priorities included:

- profiling all Council services and the associated workforce needed
- establishing core capability in community engagement
- defining a structured program of continuous improvement across Council.

The year also saw the organisation undergo a significant restructure which has realigned the functions and focus of the organisation to better deliver on the Council Plan and meet the challenges of the future.

Cultural Vitality

In 2012 Nilumbik introduced a cultural vitality survey program to measure organisational wellbeing and improve organisational productivity.

Each year Council delivers a facilitative leadership action planning process to empower local work groups to identify cultural improvement opportunities within the workplace and enable problem solving at local levels.

During 2016-2017 Council's focus was on embedding identified cultural improvement initiatives and actions at an organisational and team level.

Learning and Development

Council takes a 70-20-10 approach to learning and development of all staff and creates opportunities for networking, forums on specific topics and targeted training for skill development.

Identified cross organisational capability areas and information from employee development plans and discussions with management informed the development of the organisational training plan for the year.

As in prior years, a range of online, face-to-face learning and development programs were offered to staff, with programs receiving positive feedback.

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

OUR PEOPLE

There has also been a continued focus on less formalised opportunities for learning; such as secondment opportunities or using our subject matter experts to coach others.

These learning opportunities are made 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.

Project Management Framework

The Project Management Excellence program aims to build capability across the organisation in all areas of project management. A suite of tools provides guidance, learning programs aimed to develop skillsets and coaching and mentoring for support.

This framework is continually enhanced based on feedback from the project management community within Council.

Achievements over the year have included:

- Nilumbik staff successfully completing the Diploma of Project Management program in conjunction with Banyule and Whittlesea Councils.
- A review of the Project Management Excellence Framework which has led to updates to the framework, streamlining of processes and staff development program
- The Project Management reporting process was also reviewed to ensure effective monitoring and early identification of possible risks and delivery concerns. An updated Project Health Status report and process was developed.

Working together – Enterprise Agreement

Approximately 96 per cent of employees at Nilumbik are covered by an enterprise agreement with the majority of employees covered by Nilumbik Shire Council Enterprise Agreement No. 7 which expires 30 June 2017.

Management, in conjunction with the unions and employee representatives, have begun negotiations for a new enterprise agreement.

Safety, health and wellbeing

Council is committed to fulfilling both its moral and legal responsibilities under Occupational Health and Safety laws to provide a safe and healthy work environment for employees, volunteers, contractors, customers and visitors. This commitment extends to ensuring that operations undertaken by Nilumbik Shire Council do not place the community at undue risk of injury or illness.

With a core commitment to continuous improvement with respect to all areas of Occupational Health and Safety, Council sees employee health and wellbeing as a key driver in having an engaged, resilient and productive workforce who are capable of performing their roles safely, efficiently and effectively in order to achieve organisational outcomes.

SafetyMAP (initial level) is the certification level used by Council to ensure continued effectiveness and compliance with OHS requirements. Regularly audited externally, one audit was undertaken during the 2016 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 and Health and Safety Representatives are actively involved with resolving Occupational Health and Safety issues that may arise within their workplace.

Our core Safety, Health and Wellbeing strategies are to:

- Create a workplace that is engaged, resilient and adaptive to change.
- Reduce behaviours in the workplace that can be harmful to the health of workers.
- Foster a culture that is supportive of healthy lifestyle choices.
- Promote awareness among workers about the benefits of maintaining good health and wellbeing.

A key initiative was the implementation of the 2016-2017 Health and Wellbeing Program. The program includes a health and wellbeing intranet site with key information relating to health and wellbeing as well as targeted events and promotions throughout the year focussed on our five priority areas of Mental Health, Nutrition, Physical Health, Fatigue, and Smoking, Drugs and Alcohol.

The program was also supported by sessions run by Council's Employee Assistance Program providers.

Employee Support

Employees and their immediate families are supported through Council's Employee Assistance Program which offers a comprehensive counselling service for both personal and work related matters. This service also provides support to managers through a 'manager assist' and a general 'career assist' service.

Informative newsletters and tip sheets have been promoted to all staff throughout the year and incorporated into the health and wellbeing program.

OUR PEOPLE

Recognising our people

During the year, Council acknowledged the continuous service of 38 staff from across the organisation, who were recognised for achieving service milestones of between 10 and 40 years.

COMMUNITY AND LEISURE

Kerry Gill	10 Years
Heather Stewart	10 Years
Karyn Kamminga	10 Years
Cindy Geyer	10 Years
Holly Teagle	10 Years
Pam Wortley	30 Years

CORPORATE SERVICES

Angela Zotos	10 Years
Eddie Cheng	10 Years
Nik Mistriotis	10 Years
Allison Watt	10 Years
Richard Feagan	10 Years
David Lee	10 Years
Kerrian Taylor	15 Years
Naomi Ellis	15 Years
Seamus Spillane	15 Years
Trish Spiteri	15 Years

ENVIRONMENT AND PLANNING

Jo-Anne Barker	10 Years
Marianne Sparks	10 Years
Denise Battershell	15 Years
Julieanne Rakic	15 Years
Petrina Gilligan	15 Years
Daphne Dennis	15 Years
Anita Fitzpatrick	15 Years
Debra Matthews	20 Years

INFRASTRUCTURE SERVICES

Vlad Mistic	10 Years
Nicole Drever	10 Years
Lisa Pittle	10 Years
Liz Long	10 Years
Jonathan Risby	10 Years
Milan Belic	10 Years
Stephen Richardson	10 Years
Gerald Thomas	10 Years
Patrick Yule	10 Years
Ian Purchase	15 Years
Daniel Ronald	15 Years
Jamie Tapner	15 Years
Tom McKay	25 Years
Denis Buckley	40 Years

WorkCover

Council has a strong commitment to the health and safety of its employees and to ensuring that the management of claims and return to work programs meet legislative requirements.

Council's WorkCover claims performance at year end was 40 per cent better than the industry average for Victoria.

Volunteers

Nillumbik Shire Council recognises, values and acknowledges the contribution of its dedicated volunteer workforce.

Everyday our volunteers contribute to supporting and enhancing the lives of young people, older people and families and they work tirelessly to sustain the natural environment and support our many and varied community events.

Council has more than 500 volunteers contributing more than 30,000 hours a year to Council programs and services.

Programs include:

- Living & Learning Nillumbik- tutors, administration and gardening
- Edendale-nursery, food garden, animal husbandry and grounds and garden
- Delivered Meals
- Community transport-community bus, Saturday bus, medical transport and Walking School Bus
- Environmental festivals and events- Home Harvest Feast, Open Farm Day and Practically Green Festival
- Advisory committees, panels and reference groups
- Environmental friends of groups
- L2P
- In Home Family mentoring
- Pram Walk group
- Panton Hill Playhouse
- Database administration

Through the new Council Plan 2017-2021 a significant priority action is to 'Improve the capacity of volunteers and provide ongoing opportunities for people to undertake volunteer activities.'

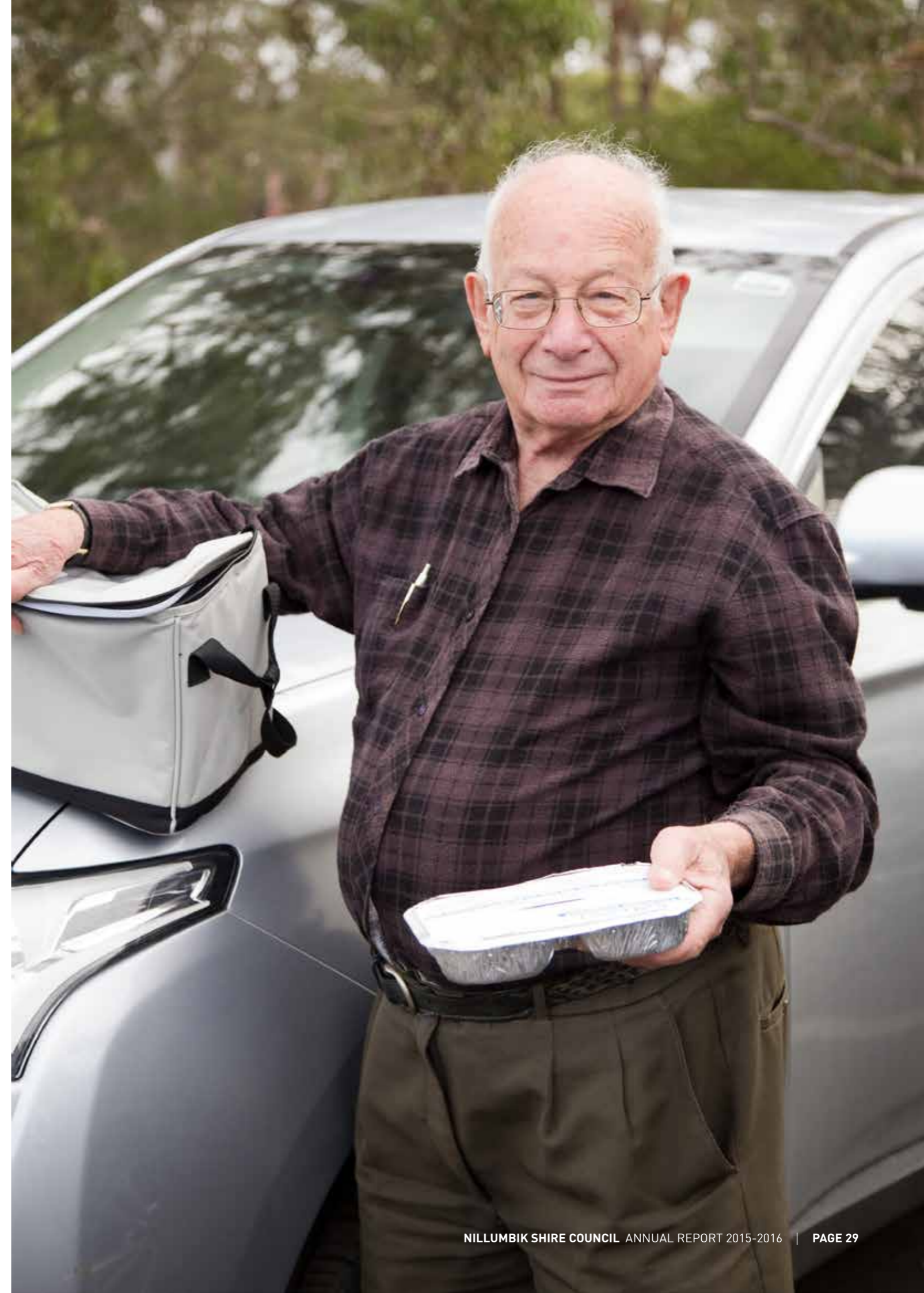
This action links in with the five-year Nillumbik Volunteering Development Strategy which represents a shared commitment by Council to achieve best practice outcomes across all Council volunteer programs.

Second year actions from the Volunteering Development Strategy have included a redesigned Volunteering Opportunities and Information page on the Council website including the piloting of volunteer online applications for Councils In Home Family Mentoring Program.

Other Council programs will implement the volunteer online application process to improve their volunteer management systems.

The Volunteering Development Strategy will continue to:

- Promote Volunteering
- Increase Volunteer Participation
- Recognise, Value and Celebrate
- Strengthen Volunteer Management



ANNUAL COMMUNITY SURVEY



The new Council is looking forward to regaining the community's trust, getting back to the basics of service provision and providing better value for ratepayers following the release of the 2016-2017 Annual Community Survey results which show a decline in community satisfaction with the previous Council's performance.

Room for improvement in 2016-2017 survey results

The Annual Community Survey, which was conducted on Council's behalf by Metropolis Research in January 2017, 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.

Community satisfaction with Council's overall performance was rated at 6.15 out of 10, a decline of eight per cent from the 6.69 result in 2016.

The average satisfaction with the five aspects of governance and leadership (excluding environment) was 6 out of 10, a decline of 10.7 per cent on the 6.72 recorded in 2016.

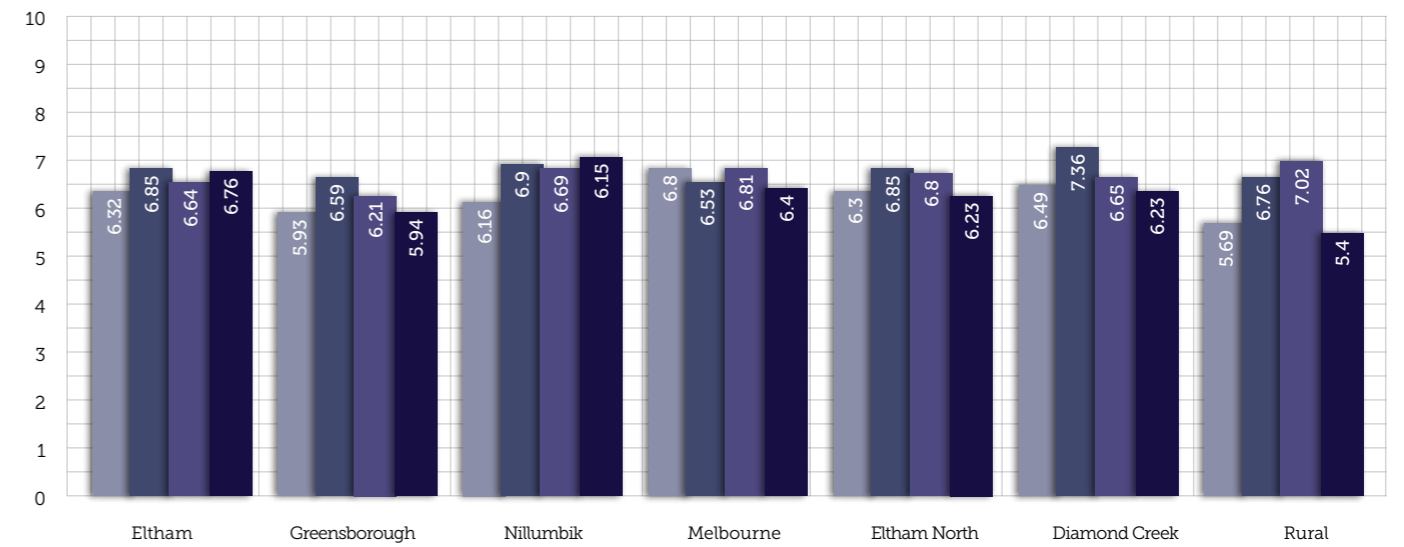
The average satisfaction with the 30 services and facilities included in the survey declined 0.8 per cent, down from 7.24 to 7.17 although was still remained categorised as 'good'.

Traffic management; Council rates; building, housing, planning and development; roads maintenance and repairs and bushfire management and prevention are the top five issues that respondents want Council to address in the next 12 months.

The survey results are made publicly available on Council's website and will be reported in the 2016-2017 Annual Report. Some results are performance measures required by the State Government and will be made available on the Know Your Council website.

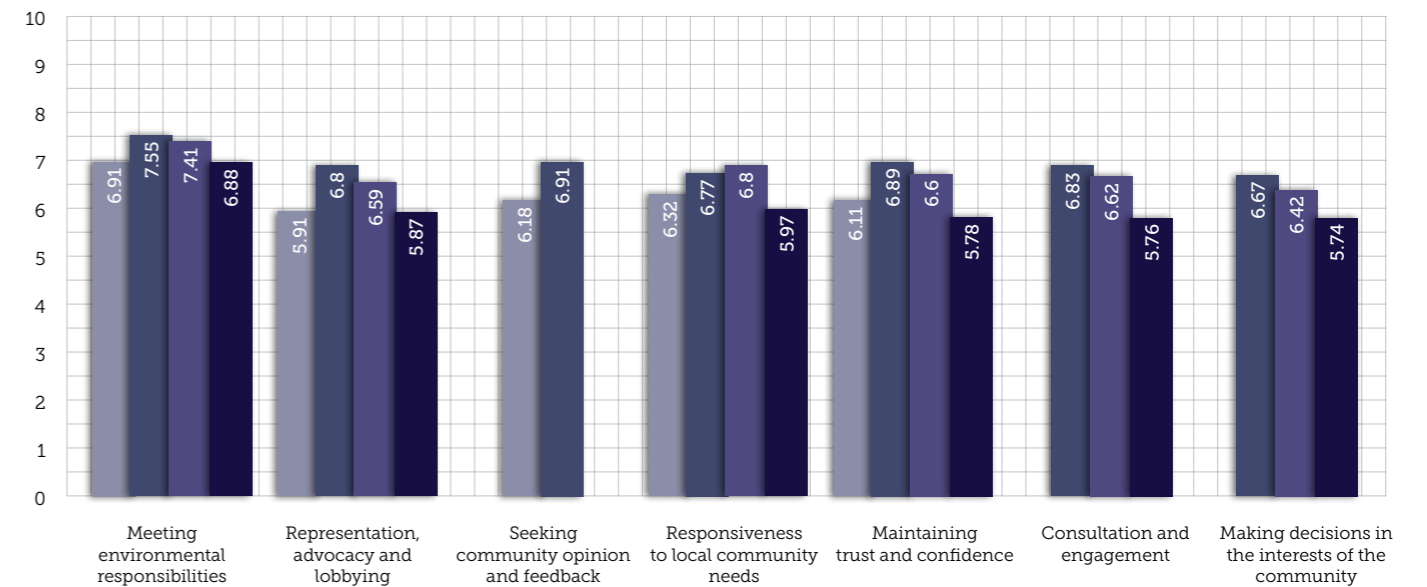
Overall satisfaction by precinct

Annual Community Survey results



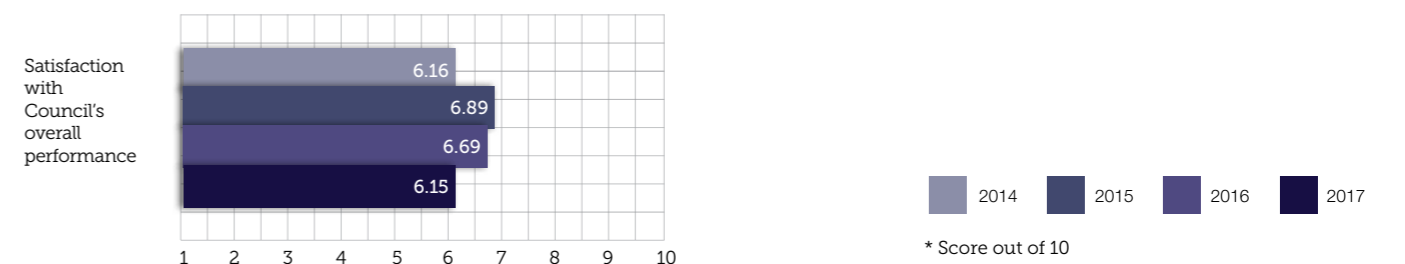
Satisfaction with aspects of governance and leadership

Annual Community Survey results



Satisfaction with Council's overall performance

Annual Community Survey results



COMMUNICATIONS AND ENGAGEMENT

The new Council is committed to improving community trust through better communications and genuine engagement.

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 publication 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. In the 2017 Annual Community Survey, more than half of respondents (56.7 per cent) reported that their household regularly received and read *Nillumbik News*.

It contains information about how the community can get involved in projects that are open for consultation and includes has a regular feature article. Information about the environment, arts projects and opportunities for youngsters to get involved with the wide variety of events on offer regularly feature in *Nillumbik News*.

Council produces many other publications including brochures, fact sheets and other material to support and promote Council services, programs, events and activities.

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

Proactive information is provided to the local newspapers with 59 media releases issued last year.

In the 2017 survey, the three most popular methods of receiving information from or interacting with Council are *Nillumbik News* (48.8 per cent); direct mail/letterbox drop of information (47 per cent) and Council's website (46.4 per cent). Email (39.6 per cent), social media (18.5 per cent) and e-newsletters (25.5 per cent) are all important communication methods.

Digital

Council's corporate website and subsites for Edendale Farm, Youth Services, Artisan Hills, Hurstbridge Farmers' Market and Living & Learning attracted 949,210 users last year with 1,167,988 pages viewed.

Residents are engaged and informed about Council decisions and activities via the online Have Your Say page on Council's website and 16 consultation programs were conducted on this platform throughout the year.

A number of hard copy and electronic newsletters are distributed by Council including:

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

More than 77 e-newsletters were issued last year.

Council increased its presence in the social media sphere in the financial year with an increase in Facebook likes of 1,194 (2,583 to 3,777) or 46 per cent. Council's Twitter

followers increased from 1614 to 1965 – an increase of 351 or 21 per cent.

Social media is being used more now for targeted communications than ever before. Numerous events have been advertised through Facebook and some posts have reached more than 30,000 people.

A new Facebook group called 'What's On in Nillumbik' was created following Council's decision to reduce costs by not advertising in the *Diamond Valley Leader* every fortnight. This group is a place to advertise all events happening in the Shire and as it has been set up as a group it means that community members can add and publicise their events.

Community engagement

Key community engagement activities during the year focused on consulting with local communities and other stakeholders on various aspects of Council policy, strategy and services.

More than 160 people provided written feedback on the draft Council Plan 2017-2021. All residents were sent a flyer with details about the draft plan and there were four consultation sessions held with information and an online form on Council's website. A number of people attended the consultation sessions attended by the Mayor and Councillors, and emailed their comments and queries. Twenty people made verbal presentations to a Council meeting about the draft plan.

While many residents were pleased with the Plan, Council received valuable feedback that the Council Plan should include more detail about managing, protecting and enhancing the Green Wedge.

COMMUNICATIONS AND ENGAGEMENT



Council's corporate website and subsites attracted 949,210 users last year with 1,167,988 pages viewed.

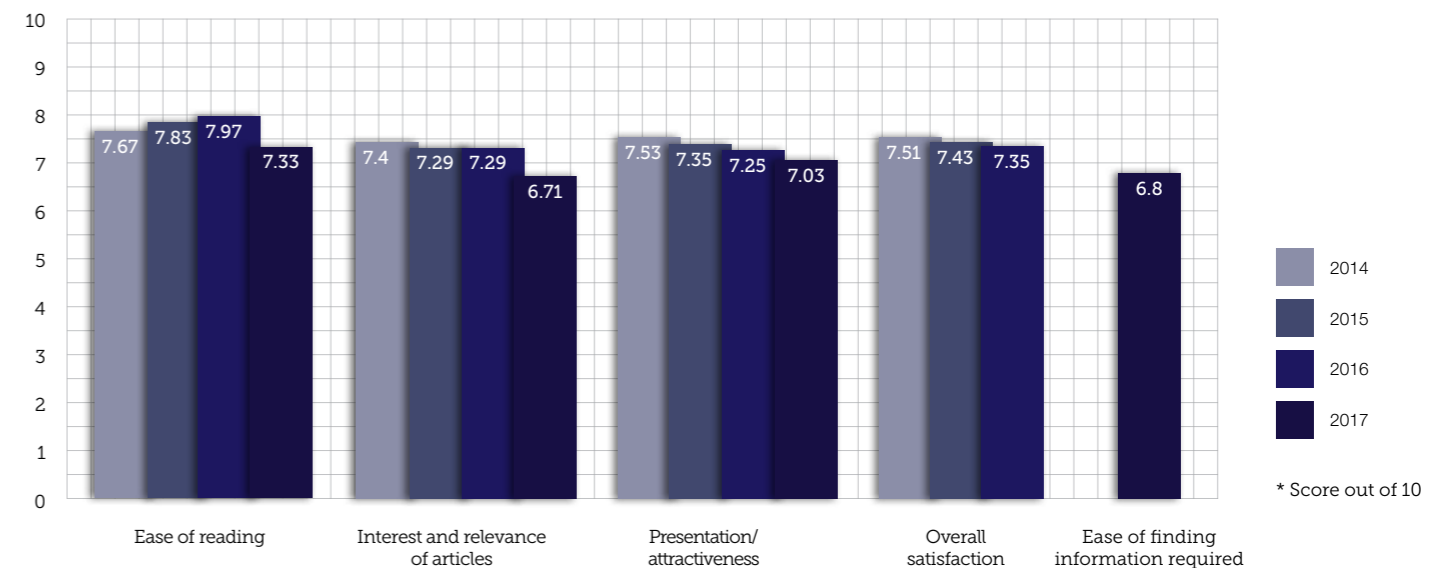
Other community engagement activities held throughout the year included the Travelling Teapot focus groups to inform the new Arts and Cultural Strategy; Planning Scheme Amendment C108 on the Diamond Creek to Hurstbridge Trail; more than 800 responses to the survey on the development of the new Domestic Animal Management Plan and workshops with community agencies to develop the Health and Wellbeing Plan.

Some of the many other 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 10 Advisory committees
- By holding ward meetings hosted by the ward councillor
- Through our Annual Community Survey which involves 500 face to face interviews
- Via social media such as Facebook Live
- 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 Council website

Annual Community Survey results



PLANNING AND ACCOUNTABILITY FRAMEWORK

Council Plan

The Council Plan 2013-2017 was the key strategic document guiding the direction of the Council during 2016-2017.

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 the previous Council in June 2013.

The Council Plan includes:

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

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

- 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 2016-2017 Annual Report is reporting against the fourth and last year of the Council Plan 2013-2017. The Council Plan can be viewed on Council's website 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

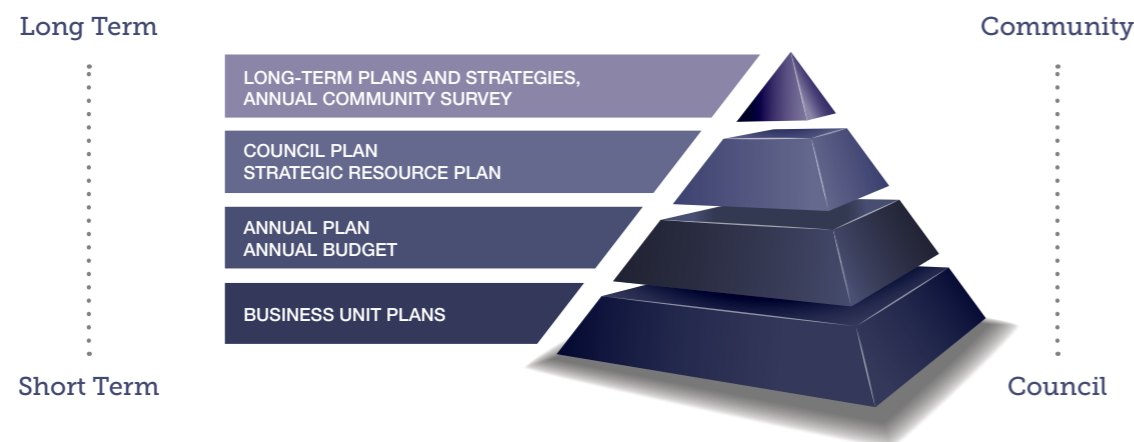
Council prepares an annual budget each financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay.

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.

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.

Nillumbik's planning framework



Council Policies, strategies and plans adopted in 2016-2017

POLICIES, STRATEGIES AND PLANS	ADOPTED
Diamond Creek Community Centre Masterplan	26 July 2016
Cash Handling and Receipting Policy	9 August 2016
Financial Hardship Policy	9 August 2016
Councillor Resources and Expenses Policy	9 August 2016
Councillor Code of Conduct	14 February 2017
Municipal Emergency Management Plan	28 March 2017
Procurement Policy	18 April 2017
Loan Guarantee Policy	18 April 2017
Good Governance Policy	30 May 2017
Budget 2017-2018	27 June 2017
Council Plan 2017-2021	27 June 2017
Meeting Procedure Local Law	27 June 2017
Nillumbik Lifetime Play Strategy	27 June 2017
Road Management Plan	27 June 2017



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 2016-2017 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 COMMUNITY

COUNCIL PLAN 2013-2017

Our community at a glance...

Our goal is to enable a better future for Nillumbik residents and encourage healthy, safe and resilient communities through the provision of quality services.

Operating expenditure
\$23,137,164

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

- 8,258 delivered meals
- 23,380 hours of HACC PYP (Home and Community Care for Young People) and CHSP (Commonwealth Home Support Program) care delivered
- 617 birth notifications
- 11,456 direct contacts with young people
- 16,383 active library members
- 11,058 dogs registered
- 3,153 cats registered
- 584 children registered and accepted into Nillumbik preschools
- 621 inspections of 444 registered food/health premises
- 87 tobacco related inspections undertaken with 108 tobacco test purchases completed

858,888

loans from the Eltham and Diamond Valley libraries

1,446,692

visits to five major recreation facilities

3,330

immunisations at 66 sessions involving 1347 children under 5 years. Over 1,107 secondary school students were immunised in the school program

3,737

enrolments in Living & Learning Centre courses and activities

9,477

participants in environmental education programs at Edendale

105,307

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

OUR COMMUNITY

Achievements

MEMP receives 'best practice' audit

Council's Municipal Emergency Management Plan (MEMP) was audited by the Victorian State Emergency Service (VICSES) and was assessed as 'complies more than adequately with the guidelines (best practice)'.

VICSES audits all MEMPs on a three-yearly basis to ensure that plans comply with the guidelines.

The CFA Act 1958 requires that each designated Neighbourhood Safer Place – Place of Last Resort is assessed each year before 31 August for compliance with the CFA criteria. Nillumbik has seven sites that have been designated as Neighbourhood Safer Places-of Places of Last Resort. All sites within Nillumbik were reassessed have been deemed to continue to comply.

Research Park pavilion works

Council approved a major redevelopment of the out-dated Research Park sports pavilion.

The upgrade attracted a total of \$1.110 million in external investment through State Government and tenant clubs towards a total project budget of \$2.260 million.

The redevelopment will deliver fit-for-purpose player, umpire and spectator facilities on the ground floor and a second floor community facility available for sports club and wider community use.

Amendment C108 for Diamond Creek Trail

Council made significant progress towards the adoption of Amendment C108 to the Nillumbik Planning Scheme to enable to construction of the \$11 million Diamond Creek to Hurstbridge Trail.

The trail project involves purchase of private land and Council is required to comply with the statutory process in relation to the acquisition of land, fair compensation and purchase price.

Council had private discussions with the 12 individual landowners affected and continued to liaise directly with each landholder including further consultation and information about the next steps of the process.

Council applied for \$2.5 million funding through the State Government Growing Suburbs Fund to match Council's project funding and has allocated \$1.25 million in the 2017-2018 Council budget to deliver stage 1 from Diamond Creek to Wattle Glen.

New managers for Eltham Leisure Centre

Council awarded the future management of the Eltham Leisure Centre to Aligned Leisure.

Council's leisure facilities are managed by external companies through a tender process. The contract to manage the Eltham Leisure Centre was due to expire on 30 June 2017.

Aligned Leisure presented a proposal that is customer driven, offering the best service to the community that was in excess of the tender requirements in terms of customer service, innovation, community capacity building, marketing and promotion, continuous improvement, program innovation and community connectedness.

The Eltham Leisure Centre, which is currently being redeveloped with new aquatic facilities, is Council's most visited leisure facility with more than 718,000 patrons last year. The Centre has been managed by the YMCA for the past 20 years.

Challenges

Declining preschool numbers

Council announced that the Wattleree preschool in Eltham will close due to a decline in the number of children attending over the past five years. With Nillumbik's ageing population this decline is predicted to continue into the future.

Council contacted families about their preschool preferences for 2018 and 2019 and Early Childhood Management Services are worked with the three staff impacted, to find alternative employment.

The year ahead

Masterplan for DVSFC

Council appointed a Strategic Advisory Group to oversee the preparation of the masterplan for the 40-year-old Diamond Valley Sports and Fitness Centre in Greensborough.

The Group will be chaired by Council's Social Infrastructure Portfolio Councillor Cr Bruce Ranken and include Blue Lake Ward Councillor Cr Grant Brooker and six community representatives.

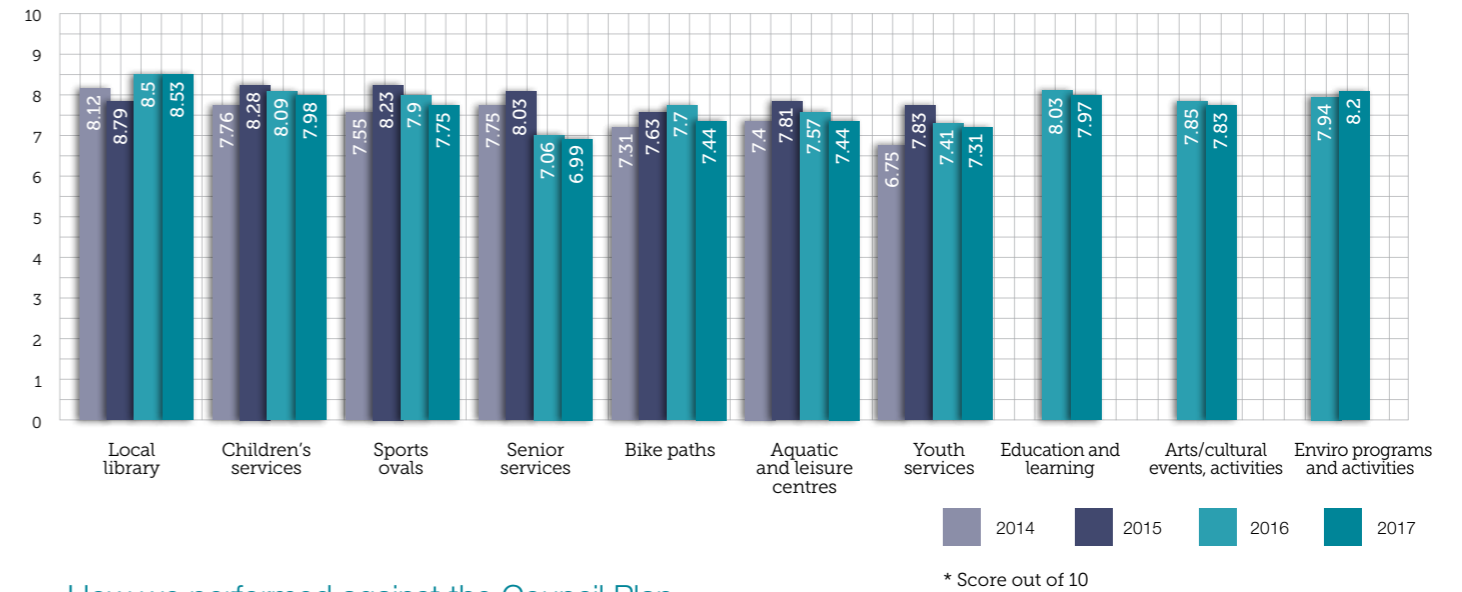
The preparation of the masterplan is jointly funded by Council and State Government.

DVSFC consists of six indoor sports courts and multi-purpose hall, squash courts, gym and group exercise spaces, crèche, café, office areas and change rooms. It is one of Council's most patronised venues but requires substantial renovation to meet community needs and expectations and building compliance standards. Council has applied for funding from the Growing Suburbs Fund for the project.

OUR COMMUNITY

Satisfaction with community and leisure services

Annual Community Survey results



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.	✓	The Municipal Emergency Management Plan is audited every three years by the Victorian State Emergency Service (VSES). The Plan has been reviewed and updated by the Municipal Emergency Management Planning Committee and endorsed by Council in March 2017. The updated Plan achieved best practice and more than adequately complies with the requirements.
Increased satisfaction with access to community services as measured through the Annual Community Survey.	✗	In the 2017 Annual Community Survey, satisfaction with the 30 Council services and facilities declined 0.8 per cent, down from 7.24 in 2016 to 7.17, but remains at a level of satisfaction categorised as 'good'. The survey results were reported to Council and the community in April 2017.
Perception of safety in public areas as measured through the Annual Community Survey.	✓	In the 2017 Annual Community Survey the perception of safety in public areas of Nillumbik during the day was 8.98 out of 10 which is categorised as 'excellent'. Residents feel less safe at night (7.48 out of 10).
Percentage of the municipal population that are active library members.	✓	During the year, 16,383 Nillumbik residents or 25.94% of the population were active library members. This figure does not take into account the number of residents who utilise the many services provided by the Eltham and Diamond Valley libraries but may not be members of the Yarra Plenty Regional Library Service.
Number of visits to aquatic facilities per head of municipal population.	✗	Council's only indoor aquatic facility at the Eltham Leisure Centre was closed during 2016-2017 while undergoing a \$19 million redevelopment, so no visitations were recorded. There were 50,361 visits to the Diamond Creek Outdoor Pool.
High participation rates in non-aquatic recreation facilities, Living and Learning programs and arts and culture programs.	✓	<ul style="list-style-type: none"> 1,446,692 visits to five major recreational facilities 105,307 participants in arts and cultural programs 9,477 participants in environmental education programs at Edendale 3,737 enrolments in Living & Learning courses and classes
High participation rates in preschools.	✓	584 preschool registrations were received in 2017 and all children were accepted into a Nillumbik preschool.
Percentage of children enrolled who participate in the MCH service.	✓	617 birth notifications were received and of those 613 or 99.35% took part in the MCH program.

Achieved ✓ Partially achieved ➡ On target 🎯 Not achieved ✗

OUR COMMUNITY



Budget 2016-2017 major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

MAJOR INITIATIVES	PROGRESS
Community and Medical Transport Actual \$52,068 Budget \$112,875	A total of 1,303 community and medical transport passenger trips were made during the financial year, involved 46 passengers, 12 volunteer drivers and 23,162 kilometres driven.
Community Infrastructure Broker Actual \$23,782 Budget \$68,084	Council officers meet regularly with State Government representatives to discuss planning and delivery of community infrastructure projects. The CEO is representing Nillumbik on the Metropolitan Partnership Northern Region to advise State Government on regional infrastructure priorities.
Diamond Creek Trail planning Actual \$56,051 Budget \$69,914	<p>An independent planning panel was held in November 2016 to consider the proposed Public Acquisition Overlay for the Diamond Creek Trail extension. The panel report was provided to Council in January 2017, and supported the proposed PAO subject to some minor changes and inclusions. Works have been completed to respond to the report recommendations, meet with affected property owners and resolve outstanding issues relating to the proposed PAO.</p> <p>Council will consider a report in August 2017 to adopt the proposed planning scheme amendment and submit the required documentation to the Minister for Planning for approval consideration.</p>
Diamond Valley Sports and Fitness Centre Masterplan Actual \$717 Budget \$35,000	A Strategic Advisory Group (SAG) and Project Reference Group (PRG) were established in March 2017. A community engagement exercise took place with the current facility tenants as well as community and sporting and community sector representatives. Benchmarking and needs analysis has been undertaken with the PRG including data collection and analysis regarding current and forecast participation demands.
Feasibility Study North East Regional Paddle Sports Centre at Westerfolds Park Actual \$5000 Budget \$5000	This project is being led by Manningham Council. Concept plans are still under development. Council will be updated by the end of October. Public exhibition on the proposed design is expected in early 2018.
Implementation 2011-2017 Cultural Plan Year 6 Actual \$13,091 Budget \$45,000	The implementation of the 2011-2017 Cultural Plan Year 6 saw the development of the Public Art Incubator which attracted 16 artistic proposals. Four of these proposals were selected to creatively transform the space in and around Hurstbridge Community Hub, Wadambuk Art Space and the Nillumbik Community Bus. The remainder of the project comprising public outcomes will take place within the first third of the 2017-2018 financial year.

OUR COMMUNITY



Budget 2016-2017 major initiatives

MAJOR INITIATIVES	PROGRESS
Implementation of Health and Wellbeing Plan Actual \$15,201 Budget \$45,000	<p>The Nillumbik Health and Wellbeing Profile 2016 was produced – a comprehensive reference manual pulling together the available data on health and wellbeing in Nillumbik (adults, adolescents and children) including measures of physical and mental health status, health behaviours, and social strength. A reference group was recruited and established to oversee the development of the new MPHWP 2017-2021.</p> <p>Council was successful in obtaining a grant from VicHealth to apply a ‘nudge’ trial to make bottled water the cheapest option at the kiosk and vending machine at Diamond Valley Sports and Fitness Centre.</p> <p>The first ever Liquor Forum in Nillumbik was convened which brought together a large group of licensees (including pubs, clubs, restaurants, packaged liquor stores) and local police to discuss liquor licensing issues and the reduction of harm from alcohol in the community.</p> <p>Wide community engagement was undertaken to identify priorities and strategies for the new MPHWP 2017-2021.</p>
Integrated service and community hub activation Actual \$60,596 Budget \$82,550	The Hurstbridge Community Hub operates as a multipurpose facility in an integrated service model and is utilised by community and business groups, offering allied health services, maternal and child health and early years. It plays an integral role in fostering local connections, a place for people to gather and work with the local community to reflect local needs. Both permanent and casual groups use the Hub to deliver valued services and programs. Some of these include Nillumbik U3A, Hurstbridge Sow & Grow, Strong People Stay Young, YMCA, Araluen and the immunisation program.
Liveable Nillumbik (Lot 1 Hurstbridge) Year 3 Actual \$134,338 Budget \$108,478	In November 2016 Council resolved to abandon any plans to sell Lot 1 Graysharps Road, Hurstbridge to developers and that the process to rezone Lot 1 Graysharps Road, Hurstbridge to Public Park and Recreation Zone (PPRZ) immediately commence. Council officers will further investigate housing options across the Shire targeting sites that would address the needs of older people wishing to downsize and remain in the Shire and families with an adult child with a disability.
Positive Ageing Strategy Implementation Actual \$0 Budget \$20,000	The Positive Ageing Strategy Action Plan is due for review as it is in its last year of implementation. An external consultant will be engaged to do this work in the next financial year.
Regional facility planning for high ball courts and soccer Actual \$10,000 Budget \$10,000	A draft report on a Sub Regional Indoor Sports facility was completed and released for community consultation. The project working group will review the consultation and discuss potential amendments to the report early in the next financial year before a final report is presented to Council in October.

OUR COMMUNITY

Budget 2016-2017 funded services

The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE REVENUE NET COST \$'000
Aged and Disability Services	Aged and Disability Services plans and delivers services for our aged and disabled community such as home care, home maintenance and delivered meals.	2,719 (1,903) 816
Animal Management	The Animal Management Unit works under the required legislative framework to protect the welfare of animals and the community.	730 (863) (133)
Arts and Cultural Services	The Arts and Cultural Services unit is responsible for the cultural vitality and community engagement in the arts across the Shire	660 (49) 611
Children, family and youth services	This function provides services for children, youth and families such as preschool, playgroups and youth activities.	1,448 (371) 1,077
Community Development and Inclusion	This function provides services for the whole community such as community halls, volunteer programs, festivals and events and community development.	1,406 (275) 1,131
Emergency Management	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.	1,122 (18) 1,105
Food Safety, Public Health and Immunisation	This service works towards improving public health for the whole community through food safety and health premises regulation, public health protection and education, immunisation services and noise regulation.	1,067 (525) 542
Leisure Facilities and Services	This program is responsible for the provision of leisure facilities and services – such as leisure centres, sportsgrounds, recreation trails and playgrounds – for the whole community.	9,402 (6,961) 2,446
Libraries and Community Education	This service provides facilities and programs for the whole community including libraries, Living & Learning Centres and Edendale Farm.	5,793 (1,578) 4,215
Maternal and Child Health Services	This service is for new babies and parents in the Shire.	1,204 (326) 878
Parking and Local Laws	This function provides car parking regulation, amenity protection and local laws permits for the whole Nillumbik community.	553 (583) (50)
School Crossings	This service funds school crossing supervisors for school children across the Shire.	697 (161) 536

OUR COMMUNITY

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	2016	2017	MATERIAL VARIATIONS
AQUATIC FACILITIES				
Satisfaction User satisfaction with aquatic facilities (optional) [User satisfaction with how council has performed on provision of aquatic facilities]	78.1	75.70	74	Satisfaction with Council's aquatic and leisure centres declined very slightly in 2017 to 74.4 out of 100, from 75.7 in 2016. Council's largest leisure centre, Eltham Leisure Centre, is currently undergoing a \$19 million redevelopment of its aquatic facilities.
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0	0	0	Council does not carry out routine inspections of aquatic facilities. This is undertaken by the contracted service providers as part of the contract requirements for the facility.
Health and Safety Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0	0	0	There were no reportable Worksafe incidents during the financial year.
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.24	\$2.36	\$0	Council's only indoor aquatic facility at the Eltham Leisure Centre was closed during 2016-2017 while undergoing a \$19 million redevelopment.
Service Cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$6.08	\$4.67	\$3.69	The closure of Council's indoor pool for redevelopment resulted in a significant increase in the number of visits to the outdoor pool, which in turn decreased the operating costs.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.18	2.56	0.80	Council's only indoor aquatic facility at the Eltham Leisure Centre was closed during 2016-2017 while undergoing a \$19 million redevelopment. This closure significantly impacted on the number of visits to Council's aquatic facilities. Council's only outdoor aquatic facility at Diamond Creek is open seasonally from November to March.
SERVICE/INDICATOR/MEASURE				
ANIMAL MANAGEMENT				
Timeliness 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]	1.0	1.0	1.0	The majority of requests, including dog attacks and collection of wandering dogs, are actioned within one hour of receiving the request. Other requests, including nuisance barking dogs, are responded to within one business day however due to an extensive mediation and engagement process, a resolution may exceed one month.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	70%	68.8%	61.02%	Council impounded 449 dogs and cats during 2016-2017, 274 of which were reclaimed by their owners. A further 136 were rehoused.
Service cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$39.19	\$37.64	\$38.62	This cost excludes income from pound fees, infringement notices and registration fees which, if included, would show a zero cost to provide the service.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	5	8	8	Of the eight prosecutions, two were for dog attacks; one was for a breach of bond (relating to a dog attack); one for a dog wandering at large; three were for failure to comply with dangerous dog requirements and failure to register; and one failure to register (declared dangerous dog).

OUR COMMUNITY

Service performance indicators and measures

SERVICE/INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
FOOD SAFETY				
Timeliness 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	3.20	3.63	The time taken to action food-related complaints has increased in the 2016 reporting period. Difficulty contacting complainants or food premises can result in delays in action.
Service standard 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	120%	100%	100%	All 246 registered Class 1 and 2 premises received a food safety assessment in the 2016 reporting period.
Service cost 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	\$603.66	\$547.20	Increased compliance with food safety requirements by business owners has meant less officer time attending to non-compliance issues. The decrease in officer time/resourcing directed to this activity has resulted in a reduction in the cost for the overall service.
Health and safety 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%	100%	100%	All inspections of food premises resulting in a critical or major non-compliance result were followed up by Council.

SERVICE/INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
LIBRARIES				
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	8.51	10.03	6.67	Nillumbik offers library services in partnership with Banyule and Whittlesea as the Yarra Plenty Regional Library Service (YPRL). Two of the nine libraries are located in Nillumbik; the Eltham and Diamond Valley libraries. YPRL offers eBooks and eAudio books in partnership with Brisbane City Library Service, allowing library members access to more than 75,000 titles.
Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	86%	87.55%	85.24%	Nillumbik offers library services in partnership with Banyule and Whittlesea as the Yarra Plenty Regional Library Service (YPRL). YPRL has a robust stock maintenance program where items are withdrawn from the collection due to age, non-use, currency and irrelevance. More than 85 per cent of the items available for loan are less than five years old.
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$4.40	\$5.26	\$5.72	Nillumbik offers library services in partnership with Banyule and Whittlesea as the Yarra Plenty Regional Library Service. Each council contributes to the cost of running the library service.
Participation Active library members [Number of active library members / Municipal population] x100	25%	23.71%	25.94%	During the year, 16,383 Nillumbik residents were active library members. This figure does not take into account the number of residents who utilise the many services provided by the Eltham and Diamond Valley libraries but may not be members of the Yarra Plenty Regional Library Service.

OUR COMMUNITY



Maternal and Child Health Council received 617 birth notifications and 600 first home visits were made.

Service performance indicators and measures

SERVICE/INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
MATERNAL AND CHILD HEALTH (MCH)				
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	100%	101.36%	97.24%	In 2016-2017, 617 birth notifications were received and 600 first home visits made.
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	94%	102.04%	99.35%	In 2016-2017, 617 birth notifications were received and 613 infants enrolled in the MCH service.
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	-	\$71.78	\$70.02	As part of a Council-wide program of cost saving, Council was able to deliver better value for ratepayers in 2016-2017 while maintaining the quality of the Maternal and Child Health service.
Participation 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	72.88%	77.76%	Participation in the Maternal and Child Health 10 Key Ages and Stages consultations in Nillumbik continues to be at or above the state average. During 2016-2017, 2,019 consultations were provided by Council.
Participation 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%	75.76%	68.29%	Participation in the Maternal and Child Health 10 Key Ages and Stages consultations in Nillumbik continues to be at or above the state average. Participation by Aboriginal children remains fairly consistent.



OUR NATURAL ENVIRONMENT

COUNCIL PLAN 2013-2017

Our natural environment at a glance...

Our goal is to preserve and nurture the natural environment of the Green Wedge through responsible leadership and stewardship for current and future generations.

Operating expenditure
\$13,184,388

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 18 'Friends of' groups at 142 working bees
- Planted more than 7926 indigenous plants within reserves

66.17%

of kerbside waste diverted from landfill

554,918

waste bin collections

1,073,280

green waste collections

543,972

recycling bin collections

5,900+

indigenous plants planted within reserves

498 hectares

of bushland and wetland reserves maintained

OUR NATURAL ENVIRONMENT

Achievements

New energy funding

Council was successful in receiving a grant award of \$234,073 from the Victorian Government's New Energy Jobs Fund (NEJF), for the installation of a 99.96 kilowatt (kW) solar photovoltaic system on the roof of the Community Bank Stadium in Diamond Creek.

The system also includes 100 kilowatt hours (kWh) of battery storage capacity, 45kW inverter capacity and an electric vehicle charging station for public use. The project has a total cost of \$442,023 and thanks to the NEJF grant; Council's contribution will be \$207,950.

The funding will assist Council to deliver on the mitigation targets outlined in the Climate Change Action Plan 2016-2020 – one of which is to produce 30 per cent of Council's building energy requirements through on-site renewable energy sources and reduce grid supplied electricity consumption by 20 per cent from the 2013 levels by 2020.

Classification of Burgan clears up confusion

The Minister for Planning approved a planning scheme amendment which corrected the species of Burgan referred to in the Nillumbik Planning Scheme.

Since 2011, the botanical name *Kunzea ericoides* has been misapplied and refers to a species that occurs in New Zealand, not Australia.

The planning amendment requested that the species listed on the Planning Scheme be corrected to reflect the species that occurs more commonly in Nillumbik – *Kunzea leptospermoides* (Yarra Burgan). This means that residents still do not need to apply for a permit to remove *Kunzea leptospermoides* (Yarra Burgan).

Challenges

Planning scheme amendments C101

A report from Christopher Wren QC investigating the abandonment of Planning Scheme Amendment C101 was received by Council in February.

Council resolved to make the Executive Summary publicly available on Council's website. Because of the sensitive and legal nature of its contents, the full report was designated as confidential by the Acting CEO under Section 77 of the *Local Government Act 1989*.

The investigation examined the circumstances surrounding the failure of Council to notify the Minister for Planning of the abandonment of Planning Scheme Amendment C101 in April 2016.

Findings included a review of Council's Instrument of Delegation; a review of how legal advice is provided to Councillors; improved communication and community engagement processes; a review of Council's vegetation offset program and broader issues around organisational culture and accountability.

Amendment C81 lapsed

Council confirmed that Planning Scheme Amendment C81 had lapsed following representation to the Minister for Planning in late 2016. Along with Amendment C101, this proposal was not supported by the local community.

One of the first steps of the new Council following the election in October 2016 was to confirm the abandonment of C101 and then request that the Minister for Planning reject Amendment C81.

The Minister concluded that he was not satisfied that the amendment would result in a good planning outcome because the amendment includes duplications, contradictions and inconsistencies with a number of existing provisions within the Nillumbik Planning Scheme.

The year ahead

Review of the Nillumbik Planning Scheme

The Council Plan 2017-2021 highlights important actions such as reviewing the impacts of the Green Wedge Management Plan on the Shire's community and reviewing the Nillumbik Planning Scheme to make it easier and clearer for all stakeholders. A program of projects has been developed to achieve these actions.

The projects are:

- Consolidate high level planning strategy with the community and demonstrate new strategic directions to enable living in the landscape
- Re-engage the rural communities on the best way to manage the non-urban areas
- Provide greater certainty for the future of under-sized blocks in rural areas

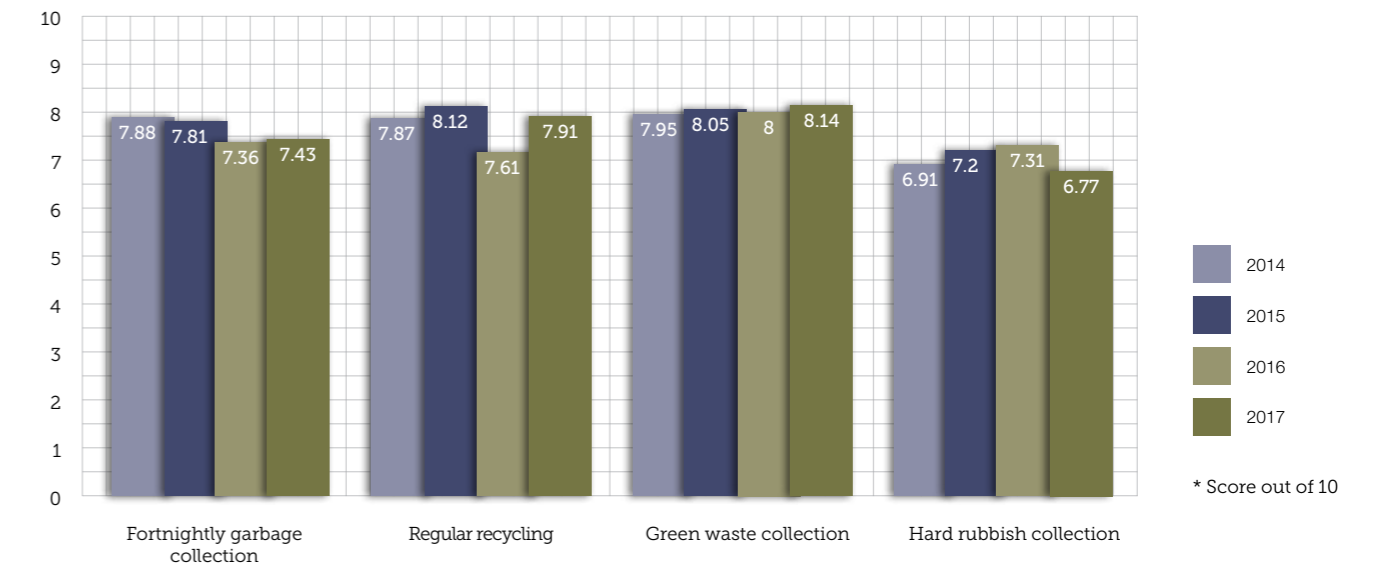
A key aim of this program is to seek a partnership approach with State Government departments and agencies. Although no commitments have yet been forthcoming, Council officers have commenced.

Each of the projects will involve community engagement, with different approaches likely to be adopted depending on the nature of the project.

OUR NATURAL ENVIRONMENT

Satisfaction with waste collection services

Annual Community Survey results



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.	✗	The annual report on the completion of Green Wedge Management Plan actions was deferred in 2016-2017 pending a review of the Green Wedge Management Plan as identified in the new Council Plan 2017-2021.
Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill.	➡	66.17% of the garbage, recyclables and green organics collected from kerbsides was diverted from landfill – this down slightly from 69.3% the previous year.
Increase in Council's stormwater harvesting and recycling capacity.	✓	All Water Sensitive Urban Design assets have been audited with Council receiving the reports in December and May. Officers are currently considering how to prioritise remediation works identified in the reports.
Reductions in Council buildings' electricity and gas consumption.	✓	Electricity consumption reduced by 11 per cent and gas consumption by 38 per cent from 2015-16. This was mainly due to the closure of the aquatic facility at Eltham Leisure Centre. Works are continuing on other buildings to improve energy efficiency and install solar electricity.
Increased satisfaction with environmental management as measured through the Annual Community Survey.	✗	Satisfaction with Council's performance in meeting its responsibilities to the environment declined 7.2% in 2017, down from 7.41 to 6.88 out of 10.
Positive trends in State of the Environment Report published every two years.	➡	This report is currently in preparation with the data collection phase to be completed shortly.

Achieved ✓ Partially achieved ➡ On target 🎯 Not achieved ✗

OUR NATURAL ENVIRONMENT



Budget 2016-2017 major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

MAJOR INITIATIVES	PROGRESS
Green Waste Drop Off Days Actual \$65,292 Budget \$76,000	Two free green waste drop off days were offered to Nillumbik residents on 27 November 2016 and 5 February 2017.

Budget 2016-2017 funded services

The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE REVENUE NET COST \$'000
Environment and Conservation	This function provides environment and conservation services and programs for the whole Nillumbik community such as planning and policy, education and events, water quality and conservation, biodiversity protection and energy efficiency programs	1,163 (21) 1,142
Parks and Reserve Maintenance	This service maintains parks, sportsgrounds, conservation reserves, street trees and roadsides for the whole Nillumbik community	5,260 (23) 5,236
Recycling and Waste Services	This service provides collection of household waste, recycling, green waste, hard waste, waste education and landfill rehabilitation for the whole Nillumbik community	7,487 (659) 6,828

OUR NATURAL 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	2016	2017	MATERIAL VARIATIONS
WASTE COLLECTION				
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	166.50	149.14	197.91	The increase relates to a significantly higher number of bin repair requests which may be related to the quality of bin stock and/or ageing bin stock. An increase in missed bins is also a contributor to the overall increase.
Service standard 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	15.62	17.42	The number of missed recycling bins increased due to a bin inspection program designed to reduce the contamination in the recycling stream. An increase in missed landfill bin collections requires further investigation.
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$64.56	\$66.83	\$63.47	The number of bins provided to residents (particularly additional bins) has increased and the cost to provide the service has remained approximately the same.
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$35.08	\$35.99	\$30.85	The cost of providing the recyclables collection service decreased due to increased income from Council's recyclables acceptance contractor.
Waste diversion 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%	69.30%	66.17%	Nillumbik residents diverted more than 14,379 tonnes of kerbside waste from landfill during 2016-2017, ensuring Nillumbik continues to be well above the State diversion targets.



OUR BUILT ENVIRONMENT

COUNCIL PLAN 2013-2017

Our built environment at a glance...

Our goal is to provide infrastructure and to plan for a built environment which respects and preserves the unique character of the Green Wedge.

Operating expenditure
\$24,375,175

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

- 56 Septic applications lodged, 92 inspections of septic tanks systems undertaken
- 266km of line-marking maintained
- 9,264 signs maintained
- Building permits issued: 17 dwellings, 27 alterations and additions, 11 commercial, 104 miscellaneous
- 5,051 parking infringements issued
- 640 decisions on planning applications and 952 total planning decisions made
- 10 bushfire rebuilding site plans issued
- 98 per cent of applications approved
- 61 per cent of Council decisions upheld at VCAT

200km

of roadsides mowed and 390km unsealed shoulders maintained

537 hectares

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

1,760

trees inspected and maintained

458km

sealed roads, 314km unsealed roads and 400km constructed drains maintained

72

playgrounds maintained

971

disabled parking permits issued

330km

of footpath inspected and maintained

OUR BUILT ENVIRONMENT

Achievements

Eltham Leisure Centre

Significant progress was made on the \$19.35 million redevelopment of the aquatic facilities at the Eltham Leisure Centre which started on 1 August 2016. The project attracted \$3.8 million from the State Government's Growing Suburbs Fund and \$3 million from the State Government's Community Facility Funding Program – 'Better Pools'.

The aquatic facilities were more than 30 years old, with the pools and associated plant prone to regular failure which intermittently caused the shutdown of parts of the aquatic area. The facility attracts in excess of 760,000 visits on an annual basis and the redevelopment will bring the pool up to a modern day standard to ensure and increase continued usage.

The project will deliver a designated program pool to assist with aquatic education, leisure space for children's aquatic play, a warm water pool to support rehabilitation and therapy programs and a 25m x 8 lane pool for recreational swimmers. Universal design has been considered and ramp entry to the pools and accessible change facilities have been incorporated into the design.

Iconic centre reopens in Eltham

The renovated and rejuvenated Eltham Community and Reception Centre officially opened its doors in June. The \$3.43 million project received \$2.6 million from the Growing Suburbs Fund and the Department of Environment, Land, Water and Planning with Council providing another \$835,000.

The centre is Nillumbik's premiere function venue providing a fully-accessible and functional community space, which retains the unique character of the original iconic mudbrick building. The improvements to the Centre mean that it is now accessible to all with improved, parking, footpaths, toilet and kitchen facilities as well as improved spaces and audio visual equipment for the stage.

Nillumbik wins trails award

Council won the Leisure and/or Open Space Planning Award for the Northern Regional Trails Strategy at the Parks and Leisure Australia Awards.

The award was for the production of a Regional Trails Strategy, a piece of collaborative work led by Nillumbik Council with support from Banyule City, Darebin City, Hume City, Moreland City, Whittlesea City and Yarra City councils, and Sport and Recreation Victoria.

Shared trails are very popular and used by hundreds of thousands of people. Closer to the city people use them for the daily commute to work on their bike while others use them for leisure with walkers, runners, cyclists and horse riders making the most of them in Nillumbik.

Bolton Street, Eltham declared as a state arterial road

The State Government declared Bolton Street, Eltham, a state arterial road after many years of advocacy from Council.

Bolton Street carries over 19,000 vehicles per day and is a key link for many residents to Fitzsimons Lane and on towards the city.

The responsibility for the maintenance of this road was shared between Nillumbik and Banyule and representatives from both Councils have regularly advocated for it to be made an arterial road.

VicRoads will now take general responsibility over the condition and maintenance of this road which is heavily used as a thoroughfare.

VicRoads announced a \$10.5 million project to upgrading Bolton Street between Main Road and Bridge Street to improve traffic flow, safety and accessibility.

Challenges

Townships design guidelines to be reviewed

Council will review town centre design guidelines for Eltham and Diamond Creek following a VCAT approval of 100 dwellings in Eltham town centre.

The planning application for 100 apartments at 26, 28 and 30 Pryor Street and 27 and 29 Arthur Street in Eltham will be a prominent feature and was originally refused by Council.

Council received more than 170 objections to the planning application and was disappointed with the VCAT decision.

Council believes that the two guiding documents that it relied on to control the design of these proposals, the Eltham Activity Centre Design Guidelines and the Eltham Major Activity Centre Structure Plan, need to be included in Nillumbik's Planning Scheme, rather than as separate documents.

The year ahead

Housing options in Nillumbik

The new Council decided last November to retain Lot 1 in Graysharps Road, Hurstbridge as open space. The land had been earmarked as a residential development for older people and people with a disability by the previous Council.

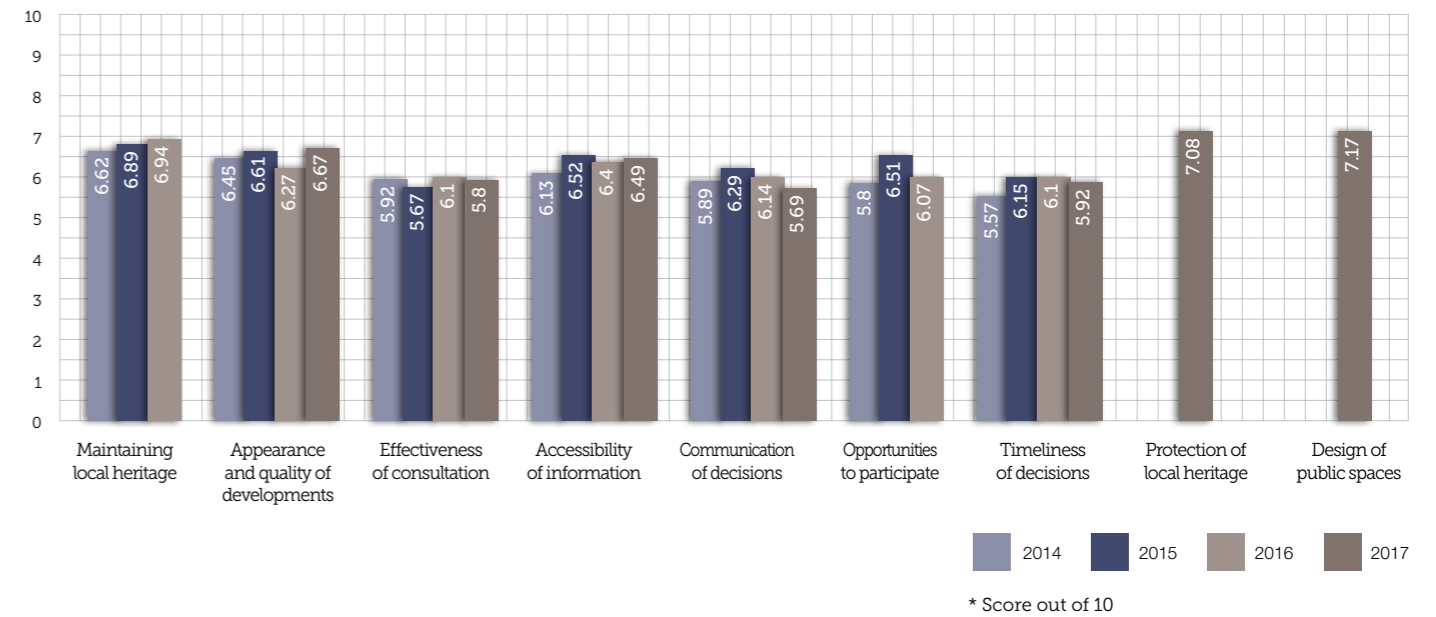
Council resolved to further investigate housing options across the Shire targeting sites that would address the needs of older people wishing to downsize and remain in the Shire as well as families with an adult child with a disability.

The scope of the project was established as well as a framework for wider community input. This work will continue in 2017-2018.

OUR BUILT ENVIRONMENT

Satisfaction with aspects of planning and housing development

Annual Community Survey results



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.	✓	Asset renewal as a percentage of depreciation is 70.54% which reflects Council allocating a larger proportion of capital works funding to upgrading facilities as opposed to renewal works.
Increased satisfaction with maintenance of local heritage as measured through the Annual Community Survey	✓	In the 2017 Annual Community Survey, satisfaction with the protection of local heritage was rated at 7.08 out of 10 and categorised as 'good'. This result was measurably and significantly higher than both the metropolitan Melbourne and northern region councils average satisfaction.
Increased satisfaction with appearance and quality of new developments as measured through the Annual Community Survey	✓	In the 2017 Annual Community Survey, satisfaction with the appearance of quality of newly constructed developments in the local area increased measurably and significantly increasing 6.4 per cent from 6.27 out of 10 in 2016, to 6.67 out of 10.

Achieved ✓ Partially achieved → On target ⊙ Not achieved ✗

OUR BUILT ENVIRONMENT



Budget 2016-2017 major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

MAJOR INITIATIVES	PROGRESS
Corporate Asset Register System Actual \$29,640 Budget \$45,000	An Asset Management System review has been undertaken and report of findings and recommendations provided.
Diamond Creek Windy Mile Actual \$0 Budget \$15,000	This project did not proceed.
Essential Safety Measures (ESM) in Council buildings Actual \$52,349 Budget \$55,000	Quarterly essential service audits (egress) were completed on 114 buildings over the 2016-2017 financial year.
Heritage Investigations (Year 2 of 5) Actual \$27,000 Budget \$38,400	Council's heritage advisor was commissioned to research the next 20 sites from the database to be potentially included in the Heritage Overlay. This will be reported to Council in 2017-2018.
Hurstbridge Streetscape Design Actual \$0 Budget \$15,000	A concept design for the Hurstbridge streetscape was completed and released for public comment. Council officers are currently assessing the community feedback.
Urban Design Advice for apartment developments Actual \$2,500 Budget \$10,000	The funding made available for urban design advice was utilised for independent advice for a number of significant development proposals within the Eltham Major Activity Centre. Although there will be an ongoing need for such advice, the 2016-2017 budget allocation was fully utilised, and future urban design advice will be funded by Planning Services

OUR BUILT ENVIRONMENT



Budget 2016-2017 funded services

The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE REVENUE NET COST \$'000
Building Regulation	This service provides building permits, safety and regulation for the whole Nillumbik community	741 (314) 428
Infrastructure Design, Construction and Transport	This service provides services for the whole community including design for capital works projects including roads, bridges, drainage, landscape, traffic treatments, coordination of capital works, procurement and construction; engineering assessment of planning applications and approval of subdivision works, traffic control, road safety, advocacy on public transport and main roads and street lighting.	2,357 (1,241) 1,115
Planning Enforcement	This service provides planning enforcement of the Nillumbik Planning Scheme and permit conditions for the whole Nillumbik community	211 (21) 189
Property, Fleet and Asset Management	This service provides infrastructure asset management and planning, building maintenance and fencing, property management and fleet management	10,995 (8,176) 2,819
Road and Drainage Maintenance	This service provides maintenance of local roads and bridges, pedestrian bridges, footpaths, trails, drains and bus shelters for the whole community	5,058 (2) 5,056
Statutory Planning	This service processes planning applications and subdivision applications	2,392 (344) 2,047
Strategic Planning	This service provides land use planning and policy, Planning Scheme management, activity centre planning and heritage protection for the whole community	650 (60) 590

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	2016	2017	MATERIAL VARIATIONS
STATUTORY PLANNING				
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	90	92	112	Council introduced service changes during the year that resulted in an initial increase in the time taken to process planning applications while the changes were implemented. The long-term benefits of the changes will result in faster processing timeframes in future years. This figure is 20 days more than the last financial year and 13 days more than the overall Melbourne metropolitan figure in 2016-2017.
Service standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	73%	80%	71.98%	Council introduced services changes during the year that resulted in a 10 per cent, or eight percentage point, decline in the number of planning applications decided within the required timeframes over the results for 2015-2016. The changes should contribute to faster application processing in the future.
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,789.72	\$2,545.67	\$2,961.14	Although the total cost of providing the Statutory Planning service was less than the previous financial year, the increased figure is as a result of the decreased volume of received planning applications in 2016-2017, with 637 applications lodged compared to 784 in 2015-2016.
Decision making 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%	70%	63.16%	VCAT upheld fewer of Council's decisions in the 2016-2017 financial year. Twelve decisions were upheld out of 19, compared to seven out of 10 in 2015-2016.

OUR BUILT ENVIRONMENT



Service performance indicators and measures

SERVICE/INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
ROADS				
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	26.63	27.65	29.21	Council received 130 requests relating to 445 kilometres of sealed local roads. This is comparable to previous years' figures of 116 in 2014-2015 and 121 in 2015-2016.
Condition 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	78%	95.83%	94.16%	The percentage of sealed local roads maintained at the adopted condition standard remained stable in 2016-2017.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	0	0	0	None of Nillumbik's roads required a full road reconstruction as defined by the State Government during 2016-2017.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$9.34	\$14.57	\$9.41	This year's cost of resealing local roads is significantly lower than last year's result due to the inclusion last year of partial reconstruction works not normally undertaken by Council. This year's result is in line with the result for 2014-2015. As an interface council, we have a higher proportion of roads with spray seals rather than the more expensive asphalt overlays required on local roads in metropolitan and inner-city municipalities.
Satisfaction 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	65.20	65.00	In the 2017 Annual Community Survey, satisfaction with the maintenance and repairs of sealed local roads remained stable at 65.3 out of 100, compared to 65.2 out of 100 in 2016. This level of satisfaction remains categorised as 'good'.



OUR ECONOMY

COUNCIL PLAN 2013-2017

Our economy at a glance...

Our goal is to develop a prosperous local economy through partnerships with local business, governments and the community consistent with our Green Wedge values.

Operating expenditure
\$673,121

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 regional business breakfasts with Northern Melbourne Business Achievement Awards
- Four Small Business Victoria workshops held with over 45 participants
- 2016 Victoria Small Business Festival, two workshops with Nillumbik Business Network (Grant Ready and Social Media) with over 70 participants
- Nine networking seminars/workshops delivered with Nillumbik Business Network with average attendance of 25-30 micro businesses

12

Hurstbridge Farmers' Markets held with estimated average of more than 1000 patrons

5,000

visitors to 33 studios as part of the Artisan Hills Artists' Open Studios over two weekends

6,500

visitors to 16 wineries as part of The Artisan Hills Open Cellars over two weekends

22

business mentoring sessions delivered over five days of quarterly small business clinics



Nillumbik won gold at the RACV Victorian Tourism Awards for its Artisan Hills branding and marketing campaign.

Achievements

RACV award for Artisan Hills

Nillumbik won gold at the prestigious RACV Victorian Tourism Awards in the Local Government section for its Artisan Hills branding and marketing campaign.

Nillumbik is just 25 kilometres north-east of metropolitan Melbourne and is renowned locally for its beautiful townships set among unspoilt bushland and picturesque hills. Now the location – known as the Artisan Hills – will be making its mark on the map after receiving the RACV tourism accolade.

After three years of research, development, planning and extensive consultation with industry and locals, the name ‘The Artisan Hills’ was chosen as the new brand, with the tagline ‘Naturally Creative’, reflecting the true offering of the region.

A five-year marketing plan has been created and is being implemented by the Marketing Committee and Council staff.

Visiting friends and relatives campaign

The Visiting Friends and Relatives Marketing Campaign ran from 7 November-7 December 2017, encouraging Nillumbik residents to

invite family and friends to explore the Artisan Hills of Nillumbik with them. Postcards were sent to residents and in the weeks following the Artisan Hills website received a 140 per cent increase in unique page views. Instagram posts increased by 92 per cent and Instagram followers increased by 59 per cent. The second part of the campaign continued in April with visitors encouraging to ‘put themselves in the picture’ by posting selfies on social media using 10 unique frames at locations around the Shire.

Stage 2 of the marketing campaign continued in May and June 2017 with the development of a map for the region and the creation of a one-minute ‘hero’ video and five 15 second ‘snacks’ especially for social media.

Challenges

Review of structure plans

Council determined in February 2017 to review and update the Eltham Major Activity Centre Structure Plan and the Diamond Creek twenty20 Structure Plan.

In updating the Structure Plans it is considered specific emphasis should be placed on identifying urban design improvements, capital works, and improvements required to existing

community facilities to provide a strategic basis for future works and economic investment in both the Eltham and Diamond Creek activity centres beyond 2020. A report will be presented to Council in February 2018.

The year ahead

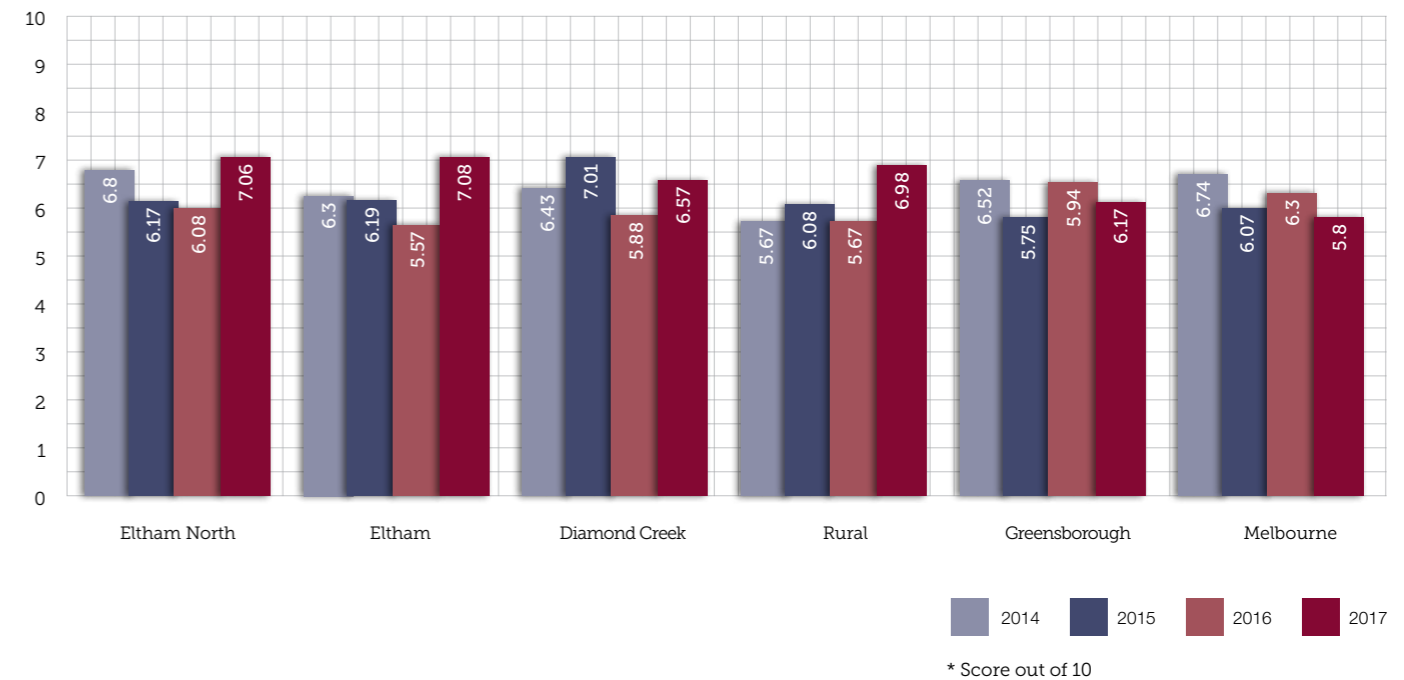
Eltham Precincts 3 and 4

Council has endorsed a revised scope for Stage 2 of the Eltham Activity Centre Precincts 3 and 4 Redevelopment Project, which is aligned to the priorities and aims of the new Council for the portion of the Eltham Town Centre which is located west of Main Road.

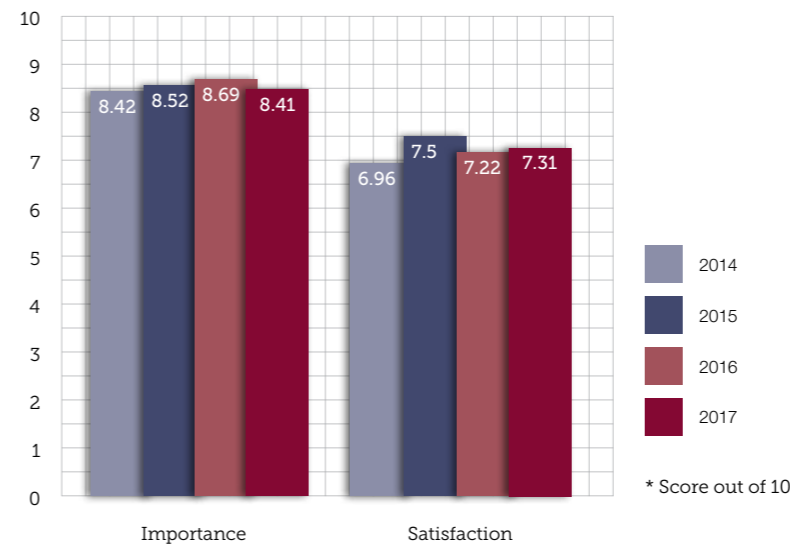
The revised scope will include the following sub-projects:

- Medical precinct including the railway station, stabling yards, bus interchange
- Recreational and community precinct including childcare, football/cricket facilities, scouts and guides, oval car parking and associated land
- Old shire office site, senior citizens, war memorial, CFA site
- Main Road commercial/restaurant hub
- Masterplan framework civil works and transport sites

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.	✓	72% of planning decisions were made within the 60 statutory days which is 15% better than metropolitan Melbourne and the fourth best planning services in metropolitan Melbourne.
Implementation of Activity Centre Structure Plans	✗	Updates on the Eltham and Diamond Creek Activity Centres were considered by Council in February where it was resolved to consider a review and update of both plans in 2017-2018.
Preparation and adoption of Township Plans	✓	Council decided to continue with plans to develop a township plan for Yarrambat: to create a small rural township that services the needs of the local community. Work is being undertaken to plan the best approach to develop the township plan and it is expected that Council will be briefed on the proposed approach by December 2017.

Achieved ✓ Partially achieved → On target ○ Not achieved ✗

Budget 2016-2017 major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

MAJOR INITIATIVES	PROGRESS
Conversion of part time business development officer to full time Actual \$24,185 Budget \$33,000	This funding covered the employment of a Business Development and Tourism Officer part-time contract position until January 2018.
New Economic Development Strategy Implementation (Year 1 of 5) Actual \$26,794 Budget \$46,811	This funding covered the Business Incubator Business Plan jointly with Melbourne Innovation Centre and the development of the Economic Development Discussion Paper 2017-2021 with Urban Enterprise. A new Economic Development Plan 2017-2021 is yet to be developed.
Visiting Friends and Relatives Campaign (Year 1 of 2) Actual \$18,023 Budget \$22,000	This initiative was completed. Activities included an Instagram competition, postcard distribution, selfie frame campaign, social media advertising and business engagement.
Visitor Information Services Review (Year 1 of 2) Actual \$5,400 Budget \$10,000	The Regional Events Strategy is underway, consultants Urban Enterprise were engaged to complete industry consultation, review existing events and potential for new ones and develop strategy. Visitor Information Services Review brief written, awaiting direction.

OUR ECONOMY



Budget 2016-2017 funded services

The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE REVENUE NET COST \$'000
Tourism and Business Support	This service builds tourism funding and support, local community and farmers' markets, local business networks, training and seminars	941 (387) 554



OUR COUNCIL

COUNCIL PLAN 2013-2017

Our Council at a glance...

Our goal is to provide good governance, leadership and responsible financial management and to make decisions in an inclusive and transparent manner.

Operating expenditure
\$16,400,280

Core activities

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

Interesting facts

- Four citizenship ceremonies held including Australia Day
- 59 media releases issued
- 949,210 website users
- Facebook likes increased from 2,583 to 3,777
- 77 e-bulletins issued

49,919
phone calls to customer service

31,496
visits to the front counter which included processing 14,600 payments

15,364
customer requests logged

1,167,988
web pages viewed

1,965
Twitter followers

23,176
rates notices issued

OUR COUNCIL

Achievements

Australia Day Awards

Nikki Waterfall, the driving force behind Diamond Creek Parkrun, was announced as Nillumbik's Citizen of Year 2017 at Council's Australia Day celebration at the Community Bank Stadium in Diamond Creek.

The celebrations included the announcement of the 2017 awards and a citizenship ceremony in which 49 local residents became Australian citizens.

Paul Di Benelotto of Hurstbridge was named as Volunteer of the Year for 30 years dedication to the Diamond Creek Football Club and his ability to educate youngsters about life with a disability.

Peta Heywood, 78, of Kangaroo Ground is the Senior Citizen of the Year for her voluntary work with the Kangaroo Ground Adult Riding Club since 1984.

Andrew Barras of Eltham received the Young Citizen of the Year Award for helping youth and young adults via community engagement and philanthropy.

Nillumbik's Community Group of the Year is the Diamond Valley Miniature Railway who for the last 55 years has provided entertainment and fun for thousands of families from its location at Eltham Lower Park.

General Council Election

A total of 69 candidates contested seven vacancies across seven wards in the general Council Election in Nillumbik on Saturday 22 October 2016.

The election was conducted by the Victorian Electoral Commission (VEC) on Council's behalf.

It was conducted by postal ballot and in accordance with the *Local Government Act 1989* (the Act) and the *Local Government (Electoral) Regulations 2016* (the Regulations).

Some key results were:

- Nillumbik's voter turnout was 80.96 per cent which was higher than the 2012 election (76.69 per cent) and higher than the state average in 2016 (75.67 per cent)
- Nillumbik's informal vote of 3.67 per cent was slightly higher than 2012 (3.12 per cent) but is still lower than the state average (6.06 per cent).

One Councillor – Peter Perkins in the Ellis Ward – was returned and six new Councillors were elected:

- Blue Lake Ward – Grant Brooker
- Bunjil Ward – Karen Egan
- Edendale Ward – John Dumaresq
- Sugarloaf Ward – Jane Ashton
- Swipers Gully Ward – Bruce Ranken
- Wingrove Ward – Peter Clarke

Challenges

Survey results decline

The 2016-2017 Annual Community Survey results showed a decline in community satisfaction with the previous Council's performance.

Community satisfaction with Council's overall performance was rated at 6.15 out of 10, a decline of eight per cent from the 6.69 result in 2016. The average satisfaction with the five aspects of governance and leadership (excluding environment) is 6 out of 10, a decline of 10.7 per cent on the 6.72 recorded in 2016.

The average satisfaction with the 30 services and facilities included in the survey declined 0.8 per cent, down from 7.24 to 7.17 although still remained categorised as 'good'.

Traffic management; Council rates; building, housing, planning and development; roads maintenance and repairs and bushfire management and prevention are the top five issues that respondents want Council to address in the next 12 months.

The year ahead

No rate rise

For the first time in the Shire's history, Nillumbik Council is proposing no rate rise in the 2017-2018 Budget.

Council will achieve this milestone while reducing debt and improving services.

This is one of the priorities for the new Council and is articulated in the Council Plan 2017-2021. Through the election process the community wanted the rate rises of the past to cease.

At the same time Council has committed to providing the biggest expenditure on community facilities and infrastructure in the Shire's history.

Advocacy on North East Link

Council continue to advocate on behalf of the Nillumbik community for a North East Link route that does not negatively impact on the Shire.

Council welcomed the \$100 million Budget announcement made by the State Government in early 2017 to build the North-East link, making it a high priority.

Council's view is that this project should start as soon as possible, rather than the recommended 10 -15 years and welcomed the announcement that construction should commence around 2019.

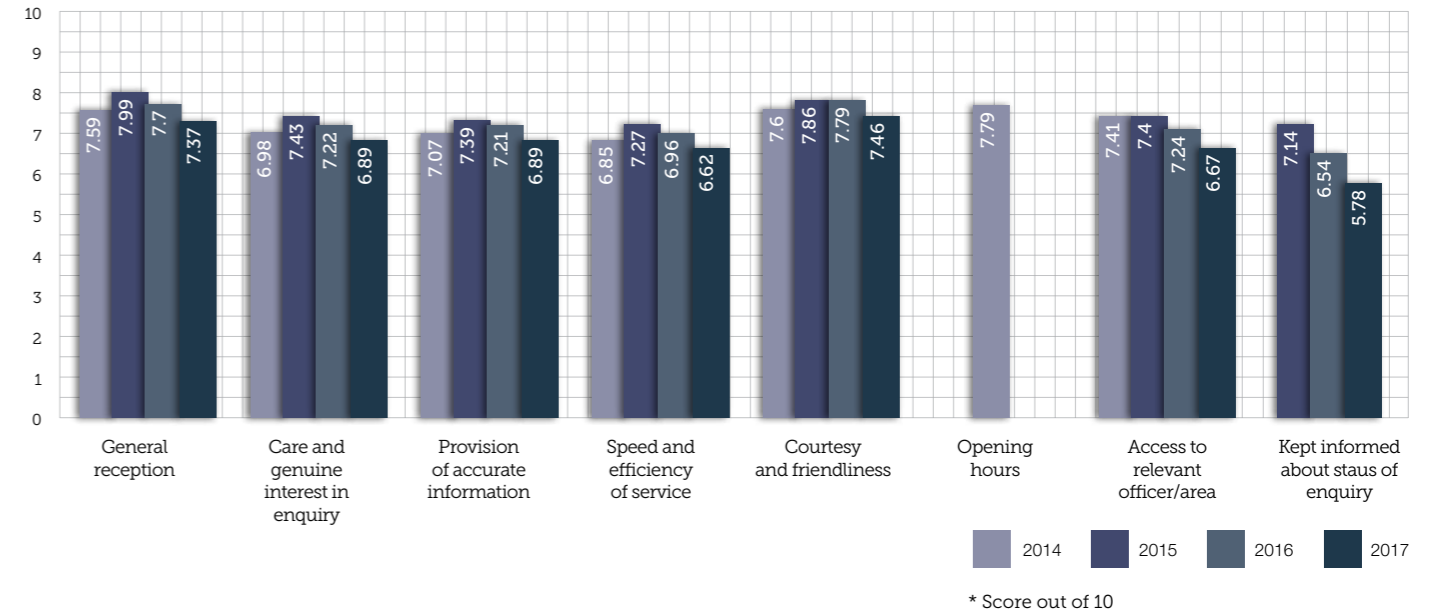
Traffic congestion is the number one concern for Nillumbik residents particularly on roads such as Bolton Street, Fitzsimons Lane and Rosanna Road.

Council's preferred route is along the Greensborough Bypass with tunnels leading to the Eastern Freeway.

OUR COUNCIL

Satisfaction with aspects of customer service

Annual Community Survey results



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.	✓	Nillumbik's results for 2016-2017 are expected to meet the Auditor-General's requirements for low-risk 'green light' status for overall financial sustainability.
Achieve an underlying surplus as a percentage of adjusted underlying revenue.	✓	Nillumbik recorded a surplus of \$15.92 million for 2016-2017 in the audited financial statements.
Rates per resident remain below the State average.	✓	Rates survey results no longer released. However Nillumbik Shire has complied with the State Government rate capping framework.
Adoption of Financial Sustainability Plan and achievement of targets in the Plan.	✓	Nillumbik is expected to meet the auditor general's targets (7 of the 13 targets). Of the remaining six targets, five have been achieved with strong progress made on the remaining one.
Satisfaction with overall performance of Council as measured through the Annual Community Survey.	✗	In the 2017 Annual Community Survey, satisfaction with Council's performance across all areas of responsibility (overall performance) declined 8 per cent, down from 6.69 out of 10 in 2016, to 6.15 out of 10.

Achieved ✓ Partially achieved ➡ On target 🎯 Not achieved ✗

OUR COUNCIL

Budget 2016-2017 major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

MAJOR INITIATIVES	PROGRESS
2016 Council Elections and provision of Councillor equipment Actual \$308,083 Budget \$310,000	The general election was run on behalf of Council by the Victorian Election Commission and was conducted by postal ballot in accordance with the <i>Local Government Act 1989</i> and the <i>Local Government (Electoral) Regulations 2016</i> . The Election Report detailing the conduct of the election was received from the Returning Officer in February and presented to Council at its Ordinary meeting.

Budget 2016-2017 funded services

The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	EXPENDITURE REVENUE NET COST \$'000
Communications	The Communications Unit assists both the Council and the organisation to communicate its decisions, services, activities and events to Nillumbik residents and the wider community through the provision of high-quality information via the website, print and electronic communication and media liaison.	667 (3) 664
Customer Service	This service provides frontline customer service, cashier and reception services for Council for the benefit of all residents, ratepayers and visitors.	546 (4) 542
Finance and Insurance	This function provides internal finance and procurement services, rates and property valuations, audit, risk management and insurance.	7,342 (3,662) 3,680
Governance	This Unit manages Council's overall governance matters including coordination of council meetings, civic functions and citizenship ceremonies, elections, legislative requirements, Mayor and Councillor resources and support services, local government sector and regional advocacy.	2,536 (60) 2,476
Information and Technology	This service provides information technology services and solutions, records management, on-line services and telecommunications.	4,484 - 4,484
Organisational Development	This function provides Council with key service delivery in the areas of recruitment and selection, staff learning and development, employee and industrial relations, safety, health and wellbeing, organisational development and performance.	1,226 (30) 1,196

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	2016	2017	MATERIAL VARIATIONS
GOVERNANCE				
Transparency 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%	15.20%	13.28%	Council made 256 resolutions at 25 Council and Committee meetings, 34 of which were made in a meeting closed to the public under section 89(2) of the <i>Local Government Act 1989</i> . The decrease on the previous year's results is due to the Council general elections in October 2016 and the introduction of new special committee arrangements, and resulted in fewer resolutions made and fewer meetings held. As required by the Act, the reasons why a meeting was closed to the public are recorded in the public version of the minutes.
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	68.30	66.20	58	Satisfaction with Council's community consultation and engagement declined measurably and significantly in 2017, down 13 per cent from 66.2 out of 100 to 57.6 out of 100. Survey respondents from the rural areas were most dissatisfied with Council's performance in this area.
Attendance 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	92%	93.3%	97.96%	Council held 11 Ordinary meetings and three Special meetings in 2016-2017. Only two absences were recorded throughout the year against a possible 98 attendances.
Service cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$49,536.80	\$51,874.20	\$54,858.83	This indicator reflects operating expenses directly related to the activities of Councillors and costs associated with the Chief Executive Officer recruitment, dismissal and performance management. Following the resignation of the CEO in December, Council appointed a new CEO in March.
Satisfaction 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	64.20	57	In the 2017 Annual Community Survey, satisfaction with Council's performance in making decisions in the interests of the community declined from 64.2 out of 100 to 57.4 out of 100. Survey respondents from the rural areas were most dissatisfied with Council's performance in this area.

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.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that council and its administration meet the community's priorities.

The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums such as ward meetings and the ability to make submissions to special committees of Council.

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.

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

Meetings of council

Nillumbik Shire Council conducts its business on open and advertised meetings. In addition to Ordinary and Special meetings, Nillumbik has one Special Committee established under section 86 of the Act: Future Nillumbik Committee. All seven Councillors sit on the Committee.

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 Committee is set out in the agenda which is available on Council's website and at the Eltham and Diamond Valley libraries on the Friday prior to the meeting. Agenda papers are also available at each meeting for interested members of the public.

Council records 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 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 2016-2017, Council passed 256 resolutions at Council and Committee meetings.

MEETING	PURPOSE	NUMBER OF MEETINGS	RESOLUTIONS	PUBLIC QUESTIONS/SUBMISSIONS HEARD
Policy and Services Committee	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. This committee was abolished in December 2016.	4	19	26
Planning Committee	Considers planning applications and invites members of the public to speak to an item on the agenda. This committee was abolished in December 2016.	3	10	29
Future Nillumbik Committee	Considers all matters with the seven portfolio areas, submissions made under section 223 of the Act and invites members of the public to speak to an item on the agenda. This committee was established on 31 January 2017.	5	41	52
Ordinary meetings of Council	Considers the general business of Council and provides community members with the opportunity to ask questions of Council.	11	177	80
Special meetings of Council	Convened for a specific purpose and only the matters listed on the agenda may be dealt with.	3	9	N/A

Meeting attendance

COUNCILLOR	ORDINARY (3)	POLICY (3)	PLANNING (3)	BRIEFINGS(5)
Cr Meralyn Klein	2/3	2/3	1/3	3/5
Cr Anika Van Hulsen	3/3	3/3	3/3	5/5
Cr Michael Young	3/3	3/3	3/3	5/5
Cr Peter Perkins	3/3	2/3	2/3	3/5
Cr Ken King	3/3	3/3	3/3	5/5
Cr Bronnie Hattam	3/3	3/3	3/3	5/5
Cr Helen Coleman	3/3	3/3	3/3	5/5

COUNCILLOR	ORDINARY(8)	SPECIAL (3)	POLICY (1)	FUTURE (5)	BRIEFINGS (14)
Cr Grant Brooker	7/8	3/3	1/1	5/5	14/14
Cr Karen Egan	8/8	3/3	1/1	5/5	14/14
Cr John Dumaresq	8/8	3/3	1/1	5/5	13/14
Cr Peter Perkins	8/8	3/3	1/1	5/5	12/14
Cr Jane Ashton	8/8	3/3	1/1	5/5	14/14
Cr Bruce Ranken	8/8	3/3	1/1	4/5	13/14
Cr Peter Clarke	8/8	3/3	1/1	5/5	14/14



Code of conduct

The Act requires Council to have a Councillor Code of Conduct and that it be reviewed within four months of each general election. At a Special Council Meeting on 14 February 2017, Council adopted a Councillor Code of Conduct that includes:

- Advice in relation to the roles of Mayor and Councillors
- Councillor conduct obligations
- Use of Council resources
- Prohibited conduct
- Misuse of position
- Confidential information
- Dispute resolution procedures.

At the request of Councillors, the revised Code of Conduct was extracted from the broader Governance Code to become a separate, stand-alone document. The remaining content of the Governance Code which details principles and practices about key roles and relationships, as well as decision-making processes, was adopted on 30 May 2017 as the Good Governance Policy.

The Act also requires that within one month of amendments to a Councillor Code of Conduct being approved, a Councillor must make a declaration that they will abide by the Councillor Code

of Conduct. The declaration must be in writing and witnessed by the CEO. All Councillors signed a declaration to abide by the Code of Conduct on 14 February 2017.

Conflict of interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This position of trust requires Councillors to act in the public interest. When a council delegates its power 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 conflicts of interest.

During 2016-2017, there were no conflicts of interest 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; or 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 2016-2017, 85 assemblies of Councillors were reported to Council.

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.

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.

Council reimburses reasonable cost 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 2016 and section 75 of the Act.

The Policy establishes an annual allocation for conferences, training and seminars determined by the level of Mayoral and Councillor allowances.

Councillors (other than the Mayor) are allocated a maximum amount equal to 20 per cent of their allowance.

The Mayor is allocated a maximum equal to 10 per cent of the Mayoral allowance in recognition of the additional responsibilities of the Mayor.

A telephone (landline), mobile phone and car kit, laptop computer, tablet and associated stationery are made available to all Councillors, including the Mayor, for official Council business.

COUNCILLOR	ALLOWANCE*
Cr Meralyn Klein	\$8,096.46
Cr Anika Van Hulsen	\$8,096.46
Cr Michael Young	\$8,096.46
Cr Ken King	\$8,096.46
Cr Bronnie Hattam ¹	\$26,254.34
Cr Helen Coleman	\$8,096.46
Cr Peter Perkins	\$25,581.36
Cr Grant Brooker	\$17,484.90
Cr Karen Egan	\$17,484.90
Cr John Dumaresq	\$17,484.90
Cr Jane Ashton	\$17,484.90
Cr Bruce Ranken	\$17,484.90
Cr Peter Clarke ²	\$53,874.01

1. Mayor 1 July-22 October 2016
 2. Mayor 8 November 2016 – 30 June 2017
 * Allowance includes superannuation

	TRAVEL & CAR MILEAGE	MOBILE PHONE	INTERNET	CONFERENCES, TRAINING & SEMINARS	OTHER EXPENSES	LANDLINE TELEPHONE	ADVOCACY	CARERS ALLOWANCE	MAYORAL CAR	TOTAL
Cr Meralyn Klein	\$735	\$995	\$586	-	-	-	-	-	-	\$2,317
Cr Anika Van Hulsen	\$300	\$488	\$586	-	-	-	-	-	-	\$1,375
Cr Michel Young	\$7,706	\$1,123	\$586	-	\$293	\$197	-	-	-	\$9,905
Cr Ken King	\$1,472	\$558	\$586	\$489	-	-	--	\$80	-	\$3,185
Cr Bronnie Hattam ¹	\$142	\$740	\$586	\$489	-	\$176	-	-	\$4,312	\$6,446
Cr Helen Coleman	\$1,680	\$1,348	\$586	\$248	-	\$205	-	-	-	\$4,068
Cr Peter Perkins ²	\$288	\$2,047	\$1,353	-	\$27	-	-	-	-	\$3,716
Cr Grant Brooker	\$689	\$471	\$581	\$200	-	-	-	-	-	\$1,940
Cr Karen Egan	-	\$426	\$429	\$1,923	-	-	-	-	-	\$2,778
Cr John Dumaresq	-	\$426	\$240	-	-	-	-	-	-	\$667
Cr Jane Ashton	-	\$615	\$578	\$60	\$299	-	-	-	-	\$1,553
Cr Bruce Ranken	-	\$426	-	\$60	-	-	-	-	-	\$486
Cr Peter Clarke ¹	\$1,583	\$426	\$311	\$2,092	\$727	-	\$1,230	-	-	\$6,369
TOTAL	\$14,596	\$10,089	\$7,010	\$5,563	\$1,346	\$578	\$1,230	\$80	\$4,312	\$44,804

1. The Mayor is entitled to higher expenditure on conferences, training and seminars in recognition of the additional responsibilities of Mayor.
 2. Re-elected, expenditure for full financial year

Advisory Committees and external groups

Councillors also represent Council on a number of advisory committees and external groups.

ADVISORY COMMITTEE	COUNCILLOR(S) APPOINTED
Arts Advisory Committee	Cr Egan (Chair)
Audit Committee	Cr Clarke, Cr Ranken
CEO Employment Matters Committee	All Councillors
Inclusion Advisory Committee	Cr Ashton (Chair)
Economic Development Advisory Committee	Cr Egan (Chair), Cr Ashton, Cr Dumaresq
Environment Advisory Committee	Cr Brooker (Chair), Cr Ashton
Living and Learning Advisory Committee	Cr Ashton
Municipal Emergency Management Planning Advisory Committee	Cr Perkins (Chair), Cr Brooker
Panton Hill Bushland Reserves System Advisory Committee	Cr Brooker (Chair), Cr Ashton
Recreational Trails Advisory Committee	Cr Dumaresq (Chair), Cr Egan, Cr Perkins

EXTERNAL ORGANISATION	COUNCILLOR(S)
Municipal Association of Victoria	Cr Perkins (Cr Ashton alternate)
Interface Councils group	Cr Clarke (Cr Egan alternate)
Northern Metro Region Councils group	Cr Clarke (Cr Egan alternate)
Yarra Plenty Regional Library Board	Cr Clarke and Cr Egan
Metropolitan Waste Management Group	Cr Perkins (Cr Dumaresq alternate)
Metropolitan Transport Forum	Cr Dumaresq
Northern Alliance for Greenhouse Action	Cr Brooker
Nillumbik Tourism Association	Cr Egan and Cr Ranken
Diamond Creek Traders' Association	Cr Perkins
Eltham Chamber of Commerce and Industry	Cr Clarke, Cr Dumaresq, Cr Ranken
Hurstbridge Traders' Association	Cr Egan

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead 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 Governance and Management Checklist results are set out on page 80.

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

Audit Committee

The Audit Committee's 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 consisted of three independent members, Linda MacRae (Chair), John Watson and Greg Hollyman, and two Councillors. 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 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.

The minutes of each Audit Committee meeting are reported to the next Ordinary Council meeting.

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 reviewed annually to ensure it remains focused on 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 Executive Management Team and the Audit Committee.

The SIAP for 2016-2017 was completed with the following reviews conducted:

- Leisure centres
- Parks and gardens (tree management)
- Financial controls (accounts payable, procurement, accounts receivable – rates and related data interrogation)
- Parking enforcement/administration

External audit

Council is externally audited by the Victorian Auditor-General's Office. For the 2016-2017 year the annual external audit of Council's Financial Statements and Performance Statements were 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

In December 2014, Council adopted the Integrated Risk Management Strategy and Risk Management Framework in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines.

Council 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 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.

CORPORATE GOVERNANCE

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 – 28 July 2015
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current policy – 1 March 2017
Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption 27 June 2017
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 section 130 of the Act Date of adoption 27 June 2017
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)	Plans Date of adoption of current plans 24 February 2015 and 27 June 2017
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of adoption of current plan 27 June 2017
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of adoption of current policy 16 December 2014
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of adoption 29 June 2015
Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of adoption 28 March 2017
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)	Policy Date adopted 18 April 2017
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 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 1 May 2015
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation 16 December 2014

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)	Committee established 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)	Internal auditor engaged 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 27 June 2016
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 31 January 2017
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Reports Date of reports 26 July 2016, 22 November 2016, 31 January 2017 and 2 May 2017
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 23 August 2016, 20 December 2016, 28 February 2017 and 30 May 2017
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 26 July 2016, 22 November 2016, 31 January 2017 and 2 May 2017
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)	Report presented 13 September 2016
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 14 February 2017
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 28 March 2017
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Local Law adopted 27 June 2017

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



Mark Stoermer
Chief Executive Officer



Cr Peter Clarke
Mayor

STATUTORY INFORMATION

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

Documents available for public inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015, the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at Civic Drive, Greensborough:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months.
- The agendas and minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.
- The minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.

- A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under section 86(6) and 98(6), respectively, of the Act.
- A document containing details of all leases involving land which were entered into by the Council as lessor, including lessee and the terms and the value of the lease.
- A register maintained under section 224(1A) of the Act of authorised officers appointed under that section.
- A list of donations and grants made by Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

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

A key focus this year was the development of the Organisation Capability and Culture Strategy (OCCS) 2016-2020, a high-level strategy which details the drivers for change at Nillumbik and the priorities for maintaining services which are in line with current and future community needs.

A vision statement – Listen, adapt, deliver – relentless in the pursuit of excellence – was developed which encapsulates the important areas of focus for the organisation heading into a new era for Local Government.

The OCCS identifies three key areas on which the administration will focus its energy in order to achieve the vision:

1. Service planning will articulate why and how we deliver the services we do, identify what services our community might need in the future, and explore the most efficient and affordable way of delivering services.
2. Workforce planning ensures we have the right people in the right place at the right time with the right attitude and skills to deliver our services to our community.
3. Communication and engagement is about getting the right messages to the right audiences using the right tools which is critical to success. We will listen to our stakeholders (both external and internal) and manage their expectations about what we can and can't deliver.

These three key areas of focus are corporate priorities and will involve a series of staged projects and involve staff from across the organisation along the way.

In addition to the OCCS, Council's new CEO Mark Stoermer implemented a restructure of the organisation to enable the administration to deliver on the policy and project priorities of the new Council which are articulated in the Council Plan 2017-2021.

The changes were significant and involved moving from a four department structure to a three department structure that will better align functions and remove duplication, remove hierarchy and break down silos, increase efficiency, productivity and performance.

In line with the OCCS, the proposed structure will focus the administration's efforts on service delivery, better support for Councillors, better collaboration and partnerships with the community and better customer experience. It aims to increase efficiency, productivity and performance.

Carers recognition

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under section 11 of that Act. In recognising its obligations under the *Carers Recognition Act 2012*, 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 Act 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 April 2017 in accordance with the Act. The Policy applies to all procurement and contracting activities of Council and is binding on Council officers, outsourced contractors and consultants while engaged by and/or representing Council.

During the year, Council did not enter into any contract valued at \$150,000 or more for services or \$200,000 or more for works or more of works of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts values at \$150,000 or more for goods or services or \$200,000 or more for works without first engaging in a competitive process.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council adopted its Disability Action Plan 2013-2017 in September 2013.

The Plan provides the framework for Council to address disability and other access issues across all areas of the organisation's planning and operations, ensuring Council meets its requirements under Federal, State and Local Government legislation.

The Disability Action Plan has four priorities for action:

- 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.

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.

In year four of the DAMP, key achievements included:

- Maintaining Council's high animal registration compliance through the registration program and targeted 'door knock' program. This year rangers inspected 893 properties throughout the municipality.
- All Rangers participated in a training course on 'Identifying Family Violence in relation to Pets Safety'.
- Increased the rehousing of impounded dogs from 94% to 98%.
- 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.

STATUTORY INFORMATION

FREEDOM OF INFORMATION	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Total number of requests	24	12	8	8	10
Access granted in full	16	4	3	4	5
Access granted in part	3	3	5	2	0
No documents available	1	0	0	2	0
Access denied in full	2	2	0	0	1
Requests withdrawn or not proceeded with	1	1	0	0	0
Requests in progress at end of financial year	1	2	0	0	4
Total application fees collected	\$666.10	\$326	\$212	\$204	\$315
Total other charges collected	-	\$52	\$716	\$1,365	\$115

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.

Protected Disclosure

Council encourages the reporting/disclosure of wrongdoing within the organisation by its officers or externally by any member of the public. Where a potential disclosure under the Act is identified, we will ensure effective action, including investigation by the appropriate entities. We will ensure those who report wrongdoing are supported and protected from reprisal.

Council has developed procedures for reporting disclosures of improper conduct or detrimental action. These procedures enable disclosures to be made to Council's Protected Disclosure Coordinator, the IBAC or to the Victorian Ombudsman.

During the 2016-2017 financial year, Council did not receive any protected disclosures.

Road Management Act Ministerial directions

Council is responsible for the management of approximately 800 kilometres of road, of which 375 kilometres are unsealed, 350 kilometres of underground drainage, approximately 17,000 stormwater pits and 250 kilometres of footpaths.

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

The Road Management Plan was reviewed and amended in June 2017, 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 2016-2017.

STATUTORY INFORMATION

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's annual report. For the 2016-2017 year the following information about infrastructure and development contributions is disclosed.

Table 1 – Total DCP levies received in 2016-2017

DCP NAME AND YEAR APPROVED	LEVIES RECEIVED IN 2016-2017 (\$)
DCPO1 – Development Contributions Plan for Area A DPO 1, August 2003	\$40,844.51
DCPO2 – Area B: Diamond Creek North Development Contributions Plan – Area 2, February 2012	\$407,300.96
Total	\$ 448,145.47

Table 2 – DCP land, works, services or facilities accepted as works-in-kind in 2016-2017

DCP NAME AND YEAR APPROVED	PROJECT ID	PROJECT DESCRIPTION	ITEM PURPOSE	PROJECT VALUE (\$)
DCPO2 – Area B: Diamond Creek North Development Contributions Plan – Area 2, February 2012	R009	Collard Drive upgrade	Part of road construction works	\$60,751.70
Total				\$60,751.70

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

DCP NAME AND YEAR APPROVED	TOTAL LEVIES RECEIVED (\$)	TOTAL LEVIES EXPENDED (\$)	TOTAL WORKS-IN-KIND ACCEPTED	TOTAL DCP CONTRIBUTIONS RECEIVED (LEVIES AND WORKS-IN-KIND) (\$)
Total				

Table 4 – Land, works, services or facilities delivered in 2016-2017 from DCP levies collected

PROJECT DESCRIPTION	PROJECT ID	DCP NAME AND YEAR APPROVED	DCP FUND EXPENDED (\$)	WORKS-IN-KIND ACCEPTED (\$)	COUNCIL'S CONTRIBUTION (\$)	OTHER CONTRIBUTIONS (\$)	TOTAL PROJECT EXPENDITURE (\$)	% OF ITEM DELIVERED
Intersection Upgrade – Collard Drive / Broad Gully Road	R003	DCPO2 – Area B: Diamond Creek North Development Contributions Plan – Area 2, February 2012	\$246,916	\$0	\$0	\$0	\$246,916	100%
Public Open Space – half the cost of fencing and half the cost of abutting roads	PG001	Plenty Low Density Area Development Contributions Plan – Area 4, December 2012	\$34,419	\$0	\$0	\$0	\$34,419	5%
Total			\$281,335	\$0	\$0	\$0	\$281,335	



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 2016-2017.

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*

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 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 3312. 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 by Council during 2016-2017.

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
- 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
- ensure the peace, order and good government of the municipal district.

The Meeting Procedure Local Law was most recently reviewed and adopted by Council on 27 June 2017, and commenced operation on 7 July 2017.

Council memberships

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

- Australian Local Government Women's Association \$360
- Metropolitan Transport Forum \$1,500
- Municipal Association of Victoria \$39,021.82
- Victorian Local Governance Association \$18,150



COMMUNITY GRANTS

Arts related

Montsalvat	\$25,000
	\$25,000

Business and tourism development grants

Nillumbik Tourism Association	\$10,000
	\$10,000

Community festivals/fairs

Diamond Creek Town Fair	\$35,572
Eltham Jazz, Food and Wine Festival	\$36,126
Eltham Town Festival	\$58,422
Hurstbridge Traders – Wattle Festival	\$28,457
On The Hill Festival, Pantom Hill	\$15,994
Warrandyte Festival	\$16,752
Eltham Mudbrick House Tour	\$5,000
	\$196,322

Community group support grants

Arthur's Creek Mechanics Institute	\$4,042
Austin Health	\$965
Diamond Valley Basketball Association	\$2,000
Diamond Valley Multiple Births Association	\$1,500
Diamond Valley Red Tent	\$1,000
Diamond Valley Toy Library	\$541
Eltham Chamber of Commerce & Industry	\$1,818
Eltham South Preschool	\$1,550
Eltham Preschool	\$1,305
Friends of Kangaroo Ground War Memorial Park Inc	\$1,266
Melbourne North East Chinese Community Inc	\$2,000
Older Men New Ideas (OM:NI)	\$488
Christmas Hills Mechanics Institute Hall	\$630
Riding for the Disabled Association Victoria	\$1,500
St Andrews Community Centre Inc.	\$2,000
St Johns Anglican Church, Diamond Creek	\$1,720
Southern Cross Community Church	\$1,968
Starlight Disco for Special Kids	\$650
	\$26,943

Cultural development grants

Theatre 451 Inc.	\$4,060
Araluen	\$1,850
	\$5,910

Fire Brigades

Arthurs Creek Fire Brigade	\$2,722
Christmas Hills Fire Brigade	\$2,722
Diamond Creek Fire Brigade	\$2,722
District 14 Headquarters Brigade East	\$2,722
Doreen Fire Brigade	\$2,722
Eltham Fire Brigade	\$2,722
Hurstbridge Fire Brigade	\$2,722
Kangaroo Ground Fire Brigade	\$2,722
Kinglake Fire Brigade	\$2,722
Nillumbik Group Fire Brigade	\$2,722
North Warrandyte Fire Brigade	\$2,722
Pantom Hill Fire Brigade	\$2,722
Plenty Fire Brigade	\$2,722
Research Fire Brigade	\$2,722
St Andrews Fire Brigade	\$2,722
Wattle Glen Fire Brigade	\$2,722
Whittlesea/Diamond Valley Group Fire Brigade	\$2,722
Yarrambat Fire Brigade	\$2,722
	\$49,000

Heritage grants

Allwood Neighbourhood House Inc	\$600
Andrew Ross Museum	\$600
Arthurs Creek Mechanics Institute	\$600
Eltham District Historical Society	\$600
Greensborough Historical Society	\$600
Plenty Historical Society Inc	\$600
Queenstown Cemetery Trust	\$600
St Andrews/Queenstown Historical Society	\$600
Warrandyte Historical Society	\$600
Yarrambat Historical Society	\$600
	\$6,000

Occasional childcare centres

Hohnes Road Playhouse Inc.	\$25,455
	\$25,455

Sports and recreational achievements

12 achievement grants	\$2,450
	\$2,450

Youth support grants

Allwood Neighbourhood House	\$1,000
Diamond Creek Swimming Club Inc.	\$2,000
Eltham High School	\$3,500
Theatre 451 Inc.	\$870
UN Youth Australia	\$2,000
	\$9,370

Total grants allocated in 2016-2017	\$356,449
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ANNUAL FINANCIAL REPORT

FOR THE
YEAR ENDED
30 JUNE 2017

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COMPREHENSIVE INCOME STATEMENT

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
INCOME			
Rates and charges	3	62,811	61,002
Statutory fees and fines	4	1,506	1,404
User fees	5	9,628	11,319
Grants – operating	6	8,613	5,919
Grants – capital	6	5,742	9,783
Contributions – monetary	7	2,620	2,116
Contributions – non-monetary	7	372	1,607
Share of net profits/(losses) of associate	16	87	93
Other income	9	2,313	2,062
Total income		93,692	95,305
EXPENSES			
Employee costs	10(a)	31,208	30,835
Materials and services	11	26,843	27,705
Bad and doubtful debts	12	4	29
Depreciation	13	10,415	9,845
Borrowing costs	14	885	931
Net loss on disposal of property, infrastructure, plant and equipment	8	896	13,588
Contributions to associate	16	2,690	2,499
Other expenses	15	4,829	5,180
Total expenses		77,770	90,612
Surplus/(deficit) for the year		15,922	4,693
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	28(a)	-	88,465
Total comprehensive result		15,922	93,158

BALANCE SHEET

As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	17	37,910	33,220
Other financial assets	18	6,300	7,000
Trade and other receivables	19	8,046	8,207
Inventories	20	23	15
Non-current assets classified as held for sale	21	3,000	3,172
Other assets	22	1,771	1,256
Total current assets		57,050	52,870
Non-current assets			
Other financial assets	18	5	5
Trade and other receivables	19	830	707
Investments in associate	16	1,557	1,470
Property, infrastructure, plant and equipment	23	753,235	741,462
Total non-current assets		755,627	743,644
Total assets		812,677	796,514
LIABILITIES			
Current liabilities			
Trade and other payables	24	5,490	4,710
Trust funds and deposits	25	1,509	1,352
Provisions	26(c)	6,947	6,658
Interest-bearing loans and borrowings	27	2,203	2,322
Total current liabilities		16,149	15,042
Non-current liabilities			
Provisions	26(c)	9,208	9,350
Interest-bearing loans and borrowings	27	11,257	11,981
Total non-current liabilities		20,465	21,331
Total liabilities		36,614	36,373
Net assets		776,063	760,141
EQUITY			
Accumulated surplus		373,053	360,992
Reserves	28(a), 28(b)	403,010	399,149
Total equity		776,063	760,141

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserve \$ '000	Other Reserves \$ '000
2017					
Balance at beginning of the financial year		760,141	360,992	365,651	33,498
Surplus/(deficit) for the year		15,922	15,922	-	-
Net asset revaluation increment/(decrement)	28(a)	-	-	-	-
Transfers to other reserves	28(b)	-	(20,867)	-	20,867
Transfers from other reserves	28(b)	-	17,006	-	(17,006)
Balance at end of the financial year		776,063	373,053	365,651	37,359

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserve \$ '000	Other Reserves \$ '000
2016					
Balance at beginning of the financial year		666,983	366,017	277,186	23,780
Surplus/(deficit) for the year		4,693	4,693	-	-
Net asset revaluation increment/(decrement)	28(a)	88,465	-	88,465	-
Transfers to other reserves	28(b)	-	(24,243)	-	24,243
Transfers from other reserves	28(b)	-	14,525	-	(14,525)
Balance at end of the financial year		760,141	360,992	365,651	33,498

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		63,005	60,526
Statutory fees and fines		1,506	1,404
User fees*		9,797	12,048
Grants – operating*		8,782	5,989
Grants – capital*		5,911	9,783
Contributions – monetary*		2,789	2,116
Interest received		1,403	1,435
Trust funds and deposits taken		513	44
Other receipts		641	1,231
Net GST refund/(payment)		4,450	3,502
Employee costs		(31,048)	(30,612)
Materials and services*		(30,849)	(32,361)
Trust funds and deposits repaid		(239)	-
Other payments*		(8,401)	(7,772)
Net cash provided by/(used in) operating activities	29	28,258	27,333
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(24,147)	(19,607)
Proceeds from sale of property, infrastructure, plant and equipment		1,607	3,715
Payments for investments		(6,300)	(7,000)
Proceeds from investments		7,000	-
Net cash provided by/(used in) investing activities		(21,840)	(22,892)
Cash flows from financing activities			
Finance costs		(885)	(931)
Proceeds from borrowings		-	-
Repayment of borrowings		(843)	(800)
Net cash provided by/(used in) financing activities		(1,728)	(1,731)
Net increase/(decrease) in cash and cash equivalents		4,690	2,710
Cash and cash equivalents at the beginning of the financial year		33,220	30,510
Cash and cash equivalents at the end of the financial year	17	37,910	33,220
Financing arrangements	30		
Restrictions on cash assets	17		

*GST Inclusive

STATEMENT OF CAPITAL WORKS

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Property			
Land		-	-
Land improvements		-	-
Playgrounds		-	-
Total land		-	-
Buildings			
Buildings		4,513	3,634
Buildings – heritage		-	-
Building improvements – disability access works		-	-
Total buildings		4,513	3,634
Total property		4,513	3,634
Plant and equipment			
Plant, machinery and equipment		878	1,914
Furniture, equipment and computers		-	83
Artwork		-	26
Total plant and equipment		878	2,023
Infrastructure			
Roads		4,506	4,292
Bridges		949	606
Footpaths and cycleways		817	726
Drainage		453	507
Recreational, leisure and community facilities		9,287	3,211
Waste management		1,016	543
Parks, open space and streetscapes		515	1,367
Traffic treatments		-	-
Other infrastructure		391	2,939
Total infrastructure		17,934	14,191
Total capital works expenditure		23,325	19,848
Represented by:			
New asset expenditure		1,662	564
Asset renewal expenditure		7,347	7,383
Asset expansion expenditure		1,762	7,030
Asset upgrade expenditure		12,554	4,871
Total capital works expenditure		23,325	19,848

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

INTRODUCTION

The Nillumbik Shire Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. Council's main office is located at Civic Drive, Greensborough, Victoria. 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(l))
- 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 2017

NOTE 1 (cont.)

SIGNIFICANT ACCOUNTING POLICIES

(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 2017

NOTE 1 (cont.)

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(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.

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 2017

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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

In accordance with Council's policy, the threshold limits 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.

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. A formal revaluation of land, buildings and infrastructure assets was undertaken in 2016.

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 2017

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
Property			Infrastructure		
Land	Indefinite	Nil	Road surface	12-30	5,000
Playgrounds	10-15	1,000	Road pavement	50-80	5,000
Land improvements	50	5,000	Road formation and earthworks	-	5,000
Buildings	50-100	5,000	Road kerb, channel and minor culverts	50	5,000
Plant and equipment			Traffic treatments/calming	5-50	5,000
Plant and machinery	6-7	1,000	Major bridge culverts	50-100	5,000
Motor vehicles	6-7	Nil	Bridges – concrete/steel	100	5,000
Furniture, fittings and computers	6-7	1,000	Bridges – timber	50	5,000
Artwork	100	500	Footpaths, trails and cycleways	10-50	5,000
			Drainage	50-100	5,000
			Waste management	5-15	1,000
			Guard fence	10	1,000
			Fire hydrants	50	1,000
			Bus shelters	20	1,000
			Reserves furniture	17	1,000
			Water treatment devices	15-20	5,000

(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 2017

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.

(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 present value of 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 as reviewed by the Environmental Protection Agency (EPA). Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(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.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(cont.)

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 probably 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

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2018/19)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has a significant number of operating leases that will be impacted as a result of this change. The value of assets and liabilities to be recognised has not yet been determined.

(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 2017

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 10 percent 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 14 June 2016. 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 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
a) Income and Expenditure				
Income				
Rates and charges	62,224	62,811	587	2(c)(i)
Statutory fees and fines	974	1,506	532	2(c)(ii)
User fees	10,202	9,628	(574)	2(c)(iii)
Grants – operating	6,293	8,613	2,320	2(c)(iv)
Grants – capital	6,135	5,742	(393)	2(c)(v)
Contributions – monetary	518	2,620	2,102	2(c)(vi)
Contributions – non monetary	-	372	372	2(c)(vii)
Share of net profits/(losses) of associates and joint ventures	-	87	87	
Other income	2,018	2,313	295	2(c)(viii)
Total income	88,364	93,692	5,328	
Expenses				
Employee costs	32,073	31,208	(865)	2(c)(ix)
Materials and services	25,589	26,843	1,254	2(c)(x)
Bad and doubtful debts	-	4	4	2(c)(xi)
Depreciation	9,994	10,415	421	
Borrowing costs	892	885	(7)	
Net loss on disposal of property, infrastructure, plant and equipment	-	896	896	2(c)(xii)
Contributions to associates and joint ventures	2,710	2,690	(20)	
Other expenses	6,500	4,829	(1,671)	2(c)(xiii)
Total expenses	77,758	77,770	(12)	
Surplus/(deficit) for the year	10,606	15,922	5,316	

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 2 (cont.) BUDGET COMPARISON

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
b) Capital Works				
Property				
Land	-	-	-	
Playgrounds	-	-	-	
Land improvements	-	-	-	
Total land	-	-	-	
Buildings	2,009	4,513	2,504	2(d)(i)
Buildings – heritage	-	-	-	
Building improvements	-	-	-	
Total buildings	2,009	4,513	2,504	
Total property	2,009	4,513	2,504	
Plant and equipment				
Plant, machinery and equipment	1,570	878	(692)	2(d)(ii)
Fixtures, fittings and furniture	-	-	-	
Computers and telecommunications	-	-	-	
Artwork	-	-	-	
Total plant and equipment	1,570	878	(692)	
Infrastructure				
Roads	2,739	4,506	1,767	2(d)(iii)
Bridges	1,000	949	(51)	2(d)(iv)
Footpaths, trails and cycleways	815	817	2	
Drainage	600	453	(147)	2(d)(v)
Recreational, leisure and community facilities	16,717	9,287	(7,430)	2(d)(vi)
Kerb and channel	-	-	-	
Waste management	1,746	1,016	(730)	2(d)(vii)
Parks, open space and streetscapes	565	515	(50)	2(d)(viii)
Traffic treatments	-	-	-	
Other infrastructure	346	391	45	2(d)(ix)
Total infrastructure	24,528	17,934	(6,594)	
Total capital works expenditure	28,107	23,325	(4,782)	
Represented by:				
New asset expenditure	2,249	1,662	(587)	
Asset renewal expenditure	11,992	7,347	(4,645)	
Asset expansion expenditure	8,488	1,762	(6,726)	
Asset upgrade expenditure	5,378	12,554	7,176	
Total capital works expenditure	28,107	23,325	(4,782)	

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 2 BUDGET COMPARISON (cont.)

c) Explanation of material variations, Income and expenditure

- (i) **Rates and charges**, variance attributable to additional rateable properties constructed during the year throughout the shire.
- (ii) **Statutory fees and fines**, variance due to increase in fines and permits issued for the year and penalties served on properties in the Shire.
- (iii) **User fees**, variance attributable to Eltham Leisure Centre redevelopment closure and decrease in facility use.
- (iv) **Grants – operating**, variance is due to Commonwealth Financial Assistance Grants received in advance. Additional grants not budgeted for were also received during the financial year.
- (v) **Grants – capital**, variance is due to grants budgeted for and not received during the period.
- (vi) **Contributions – monetary**, variance largely due to developer and capital works contributions received in excess of budget amounts.
- (vii) **Contributions – non-monetary**, comprises of infrastructure assets transferred to Council during the period.
- (viii) **Other income**, variance is driven by an increase in interest income attributable to an increase in funds invested and interest charged on unpaid rates.
- (ix) **Employee costs**, underspend is due to positions remaining vacant across Council for an extended period of time.
- (x) **Materials and services**, variance is largely due to insurance premiums budgeted as other expenses, but allocated to the materials and services category in the income statement.
- (xi) **Bad and doubtful debts**, arises from identification of long outstanding infringement debts which may not be collectable.
- (xii) **Net loss on disposal of property, infrastructure, plant and equipment**, losses on disposal of plant, infrastructure and equipment are not budgeted for.
- (xiii) **Other expenses**: variations due to underspends on utilities and lease costs. This is further compounded by insurance premiums budgeted as other expenses, but classified as materials and services in the income statement.

d) Explanation of material variations, Capital works

- (i) **Buildings**, variance due to carry forward works from prior year for Eltham Community Reception Centre.
- (ii) **Plant, machinery and equipment**, variance due to delay in budgeted spend.
- (iii) **Roads**, variance due to Civic Drive precinct works and Hillmartin Lane special charge scheme works completed which were carried forward from 2015-16.
- (iv) **Bridges**, underspend in bridge rehabilitation works budgeted for but not completed in the year.
- (v) **Drainage**, underspend in drainage works budgeted for but not completed in the 2016-17 financial year.
- (vi) **Recreation, Leisure and Community**, variance due to work on Eltham Leisure Centre carried forward to 2017-18.
- (vii) **Waste management**, variance due to landfill rehabilitation works budgeted but not completed in the year.
- (viii) **Parks, open space and streetscapes**, variance due to underspend on open space.
- (ix) **Other infrastructure**, variance largely attributable to overspend on disability access works. Further variance due to other infrastructure works budgeted for in 2015-16, undertaken in 2016-17.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

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 2016-2017 was \$15.85 billion (2015-16 \$13.99 billion). The rate in the dollar for each type of rate to be levied was:

	2017	2016
General	0.003190	0.003507
Farm land	0.002711	0.002981
Commercial/ industrial	0.003692	0.004067
Vacant land – residential and specified low density residential zones	0.006378	0.007012
Vacant land – other zones	0.003190	0.003507
Cultural and recreational land	0.001230	0.001352
	\$'000	\$'000
General rates	51,601	50,080
Municipal charge	2,228	2,161
Waste management charge	8,257	7,965
Service rates and charges	-	-
Special rates and charges	290	285
Supplementary rates and rate adjustments	-	-
Interest on rates	435	511
Total rates and charges	62,811	61,002

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.

NOTE 4 STATUTORY FEES AND FINES

	\$000	\$000
Infringements and costs	580	622
Court recoveries	34	28
Town planning fees	577	438
Land information certificates	45	44
Animal infringements	83	75
Permits	187	197
Total statutory fees and fines	1,506	1,404

NOTE 5 USER FEES

Aged services	227	229
Leisure centre and recreation	5,997	7,935
Child care/children's programs	320	326
Registration and other permits	705	668
Building services	28	23
Waste management services	613	458
Subdivision supervision	189	172
Pound release	51	60
Adult education	381	361
Edendale farm	259	225
Environmental health	260	231
Hall and sport ground hire	381	401
Other fees and charges	217	230
Total user fees	9,628	11,319

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 6 GRANTS		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	5,647	2,471
State funded grants	8,708	13,231
Total	14,355	15,702
Operating Grants		
Recurrent – Commonwealth Government		
Commonwealth Financial Assistance Grants	4,732	1,548
Other	-	13
Recurrent – State Government		
Adult education	433	447
Community health	-	78
Aged care, senior citizens centres	1,567	1,522
Community health	82	-
Community planning	100	61
Economic development	15	3
Emergency management	-	16
Environment	45	98
Family and children	725	1,032
Metro access	133	128
Recreation	15	22
School crossing supervisors	153	150
Total recurrent operating grants	8,000	5,118
Non-recurrent – State Government		
Adult education	-	21
Community planning	51	124
Emergency management	122	305
Environment	287	245
Family and children	108	95
Planning	12	-
Recreation	17	5
Waste	9	-
Other	7	6
Total non-recurrent operating grants	613	801
Total operating grants	8,613	5,919

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 6 GRANTS		
(cont.)		
Capital Grants		
Non-recurrent – Commonwealth Government		
Playgrounds	-	19
Recreation	-	5
Bridges	749	78
Roads	52	238
Roads to recovery	114	570
Non-recurrent – State Government		
Buildings	63	-
Community facilities	950	2,553
Community planning	-	(10)
Emergency management	25	-
Environment	500	8
Family and children	-	30
Footpaths	30	-
Playgrounds	29	-
Recreation	2,710	5,182
Roads	520	1,110
Total non-recurrent capital grants	5,742	9,783
Total capital grants	5,742	9,783
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	5,767	(99)
Received during the financial year and remained unspent at balance date	3,785	7,876
Received in prior years and spent during the financial year	(7,385)	(2,010)
Balance at year end	2,167	5,767
NOTE 7 CONTRIBUTIONS		
Monetary	2,620	2,116
Non-monetary	372	1,607
Total contributions	2,992	3,723
<i>Contributions of non-monetary assets were received in relation to the following asset classes:</i>		
Land (land under roads)	-	180
Infrastructure	372	1,427
Total non-monetary contributions	372	1,607
NOTE 8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Proceeds of sale	1,608	3,715
Written down value of assets disposed	(2,504)	(17,303)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(896)	(13,588)

Substantial loss in prior year was a result of de-recognition of assets not owned by Council.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 9 OTHER INCOME		
Interest	968	923
Other rent	301	241
Reimbursements	152	101
Sale of valuations	195	17
WorkCover insurance recoveries	173	145
Planning	74	81
Other	450	554
Total other income	2,313	2,062

	2017 \$000	2016 \$000
NOTE 10 EMPLOYEE COSTS		
a) Employee costs		
Wages and salaries	24,044	23,698
WorkCover	490	370
Casual staff	651	662
Superannuation	2,545	2,575
Long service leave	792	555
Fringe benefits tax	219	335
Oncost recoveries	2,029	2,584
Other	438	56
Total employee costs	31,208	30,835

b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to <i>Local Authorities Superannuation Fund (Vision Super)</i>	209	246
Employer contributions – other funds	–	–
	209	246

Employer contributions payable at reporting date.

Accumulation funds

Employer contributions to <i>Local Authorities Superannuation Fund (Vision Super)</i>	1,489	1,475
Employer contributions – other funds	847	854
	2,336	2,329

Employer contributions payable at reporting date	65	111
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Refer to note 33 for further information relating to Council's superannuation obligations.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 11 MATERIALS AND SERVICES		
Contract payments	12,844	14,061
Building maintenance	277	311
Materials, maintenance and equipment	6,807	5,973
Utilities	888	1,240
Information technology and telephone	1,788	1,548
Insurance premiums	878	971
Fleet operations	1,686	1,564
Emergency management	178	175
Planning and building services	30	40
Corporate support	92	80
Communications	308	313
Corporate information	131	66
Waste services	2	8
Stationary, printing and postage	262	223
Bushfire	205	648
Subscriptions and memberships	126	114
Other	341	370
Total	26,843	27,705

NOTE 12 BAD AND DOUBTFUL DEBTS

Parking fine debtors*	3	8
Bad debts	1	21
Total bad and doubtful debts	4	29

* 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

Property	112	102
Buildings	1,301	1,295
Plant and equipment	1,102	1,217
Infrastructure	7,900	7,231
Total depreciation	10,415	9,845

Refer to note 23 for a detailed breakdown of depreciation.

NOTE 14 BORROWING COSTS

Interest on borrowings	885	931
Total borrowing costs	885	931

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 15 OTHER EXPENSES		
Auditors' remuneration – VAGO – audit of the financial statements, performance statement	71	60
Auditors' remuneration – internal and grant acquittals	86	114
Councillors' allowances	234	237
Operating lease rentals	900	990
Payment agents and bank fees	170	162
Aged and family services	180	351
Strategic planning	42	126
Economic development	340	346
Council support	47	47
Planning and building	1	4
Waste management	1,107	992
Municipal laws	190	149
Environmental works	109	331
Leisure and education services	53	43
Youth services	11	5
Community development	142	146
Information technology	125	164
Arts and cultural services	297	295
Other	724	618
Total other expenses	4,829	5,180

NOTE 16 INVESTMENT IN ASSOCIATES, JOINT ARRANGEMENTS AND SUBSIDIARIES

Investments in associate accounted for by the equity method is:

– Yarra Plenty Regional Library Service	1,557	1,470
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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 \$86,524 (increase of \$93,086 in 2015/16) due to the increase in the net assets position of the Corporation (audited at 30 June 2017). Council's equity interest based on contributions is 20.95 percent.

Fair value of Council's investment in Yarra Plenty Regional Library Service	1,557	1,470
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	567	474
Share of net profits/(losses) of associate	87	93
Council's share of accumulated surplus/(deficit) at end of year	654	567

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 16 (cont.) INVESTMENT IN ASSOCIATES, JOINT ARRANGEMENTS AND SUBSIDIARIES		
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,470	1,377
Share of surplus/(deficit) for year	87	93
Carrying value of investment at end of year	1,557	1,470
Council's share of expenditure commitments		
Operating commitments	–	–
Capital commitments	–	–
Council's share of expenditure commitments	–	–
Council's share of contingent liabilities and contingent assets	–	–
Yarra Plenty Regional Library Service Contributions		
Contributions to associate	2,499	2,277

NOTE 17 CASH AND CASH EQUIVALENTS

Cash on hand	7	7
Cash at bank	903	1,857
Term deposits	37,000	31,356

Total cash and cash equivalents	37,910	33,220
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Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use, these include:

	Note	2017 \$000	2016 \$000
Trust funds and deposits	25	1,509	1,352
Net increase/(decrease) in restricted assets resulting from grant revenues	6	2,167	5,767
Statutory cash backed and capital works reserves	28(c)	25,553	23,162

Total restricted funds	29,229	30,281
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Total unrestricted cash and cash equivalents	8,681	2,939
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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 (other financial assets)	5,300	6,000
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	5,300	6,000
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Refer also to Note 18 for details of other financial assets held by Council.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 18 OTHER FINANCIAL ASSETS		
Current		
Term deposits	6,300	7,000
Non-current		
Investment – MAPS	5	5
Total other financial assets	6,305	7,005

NOTE 19 TRADE AND OTHER RECEIVABLES

Current		
<i>Statutory receivables</i>		
Rates debtors	5,882	5,520
Special charge scheme debtors	793	819
Parking infringement debtors	516	574
Provision for doubtful debts – parking infringements	(290)	(287)
<i>Non-statutory receivables</i>		
Other debtors	659	1,138
Net GST receivable	486	443
Total current trade and other receivables	8,046	8,207
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	830	707
Total non-current trade and other receivables	830	707
Total trade and other receivables	8,876	8,914

a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:

Current (not yet due)	1,053	1,437
Past due by up to 30 days	22	97
Past due between 31 and 180 days	7	6
Past due between 181 and 365 days	36	4
Past due by more than 1 year	27	37
Total trade and other receivables	1,145	1,581

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	287	279
New provisions recognised during the year	4	29
Amounts already provided for and written off as uncollectible	(1)	(21)
Balance at end of year	290	287

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 20 INVENTORIES		
Fuel	23	15
Total inventories	23	15

NOTE 21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE*

Opening balance	3,172	2,362
Written down value of non-current assets classified as held for sale – sold	(810)	-
Transfers out to Property (Land – non-specialised)	(2,362)	-
Transfers in from Property (Land – non-specialised)	3,000	810
Total non-current assets classified as held for resale	3,000	3,172

* Non-current assets classified as held for sale are parcels of land sold but not yet settled or land available for sale at year end.

NOTE 22 OTHER ASSETS

Current		
Prepayments	1,605	977
Accrued income	166	279
Total current other assets	1,771	1,256

NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2016 \$'000	Acquisitions \$'000	Contributions \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At fair value 30 June 2017 \$'000
Land	298,119	126	-	(112)	-	(638)	297,495
Buildings	42,990	564	-	(1,301)	(370)	88	41,971
Plant and equipment	7,073	991	-	(1,102)	(506)	-	6,456
Infrastructure	388,527	6,840	372	(7,900)	(816)	553	387,576
Work in progress	4,753	15,625	-	-	-	(641)	19,737
Total	741,462	24,146	372	(10,415)	(1,692)	(638)	753,235

Summary of work in progress

	Opening WIP \$'000	Additions \$'000	Transfers out \$'000	Closing WIP \$'000
Land	1,975	2,547	-	4,522
Buildings	1,608	4,789	(88)	6,309
Plant and equipment	-	-	-	-
Infrastructure	1,170	8,289	(553)	8,906
Total	4,753	15,625	(641)	19,737

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

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

	Land – specialised \$'000	Land – non-specialised \$'000	Land improvements \$'000	Land \$'000	Total land \$'000	Buildings – heritage \$'000	Buildings – specialised \$'000	Buildings – non-specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
Land and buildings											
At fair value 1 July 2016	180	292,629	5,536	298,345	13,481	59,059	512	73,052	3,583	374,980	
At deemed cost	320	-	-	320	-	-	-	-	-	320	
At anticipated restoration cost	11,401	-	-	11,401	-	-	-	-	-	11,401	
Accumulated depreciation at 1 July 2016	(11,401)	-	(546)	(11,947)	(6,205)	(23,440)	(417)	(30,062)	-	(42,009)	
	500	292,629	4,990	298,119	7,276	35,619	95	42,990	3,583	344,692	
Movements in fair value											
Acquisition of assets at fair value	-	-	126	126	-	564	-	564	7,336	8,026	
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-	-	
Fair value of assets disposed	-	-	-	-	-	(552)	(223)	(775)	-	(775)	
Transfers	-	(638)	-	(638)	-	88	-	88	(88)	(638)	
	-	(638)	126	(512)	-	100	(223)	(123)	7,248	6,613	
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	(112)	(112)	(185)	(1,113)	(3)	(1,301)	-	(1,413)	
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-	-	
Accumulated depreciation of disposals	-	-	-	-	-	233	172	405	-	405	
Transfers	-	-	-	-	-	-	-	-	-	-	
	-	-	(112)	(112)	(185)	(880)	169	(896)	-	(1,008)	
Land and buildings											
At fair value 30 June 2017	180	291,991	5,662	297,833	13,481	59,159	289	72,929	10,831	381,593	
At deemed cost	320	-	-	320	-	-	-	-	-	320	
At anticipated restoration cost	11,401	-	-	11,401	-	-	-	-	-	11,401	
Accumulated depreciation at 30 June 2017	(11,401)	-	(658)	(12,059)	(6,390)	(24,320)	(248)	(30,958)	-	(43,017)	
	500	291,991	5,004	297,495	7,091	34,839	41	41,971	10,831	350,297	

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

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

	Plant machinery, equipment and motor vehicles \$'000	Fixtures, fittings and furniture \$'000	Computers and telecomms \$'000	Artwork \$'000	Total plant and equipment \$'000
Plant and equipment					
At fair value 1 July 2016	10,115	2,181	2,181	2,432	16,909
Accumulated depreciation at 1 July 2016	(6,123)	(1,775)	(1,938)	-	(9,836)
	3,992	406	243	2,432	7,073
Movements in fair value					
Acquisition of assets at fair value	888	28	75	-	991
Revaluation increments/(decrements)	-	-	-	-	-
Fair value of assets disposed	(1,472)	-	-	-	(1,472)
Transfers	-	-	-	-	-
	(584)	28	75	-	(481)
Movements in accumulated depreciation					
Depreciation and amortisation	(896)	(136)	(70)	-	(1,102)
Revaluation increments/(decrements)	-	-	-	-	-
Accumulated depreciation of disposals	966	-	-	-	966
Transfers	-	-	-	-	-
	70	(136)	(70)	-	(136)
Plant and equipment					
At fair value 30 June 2017	9,531	2,209	2,256	2,432	16,428
Accumulated depreciation at 30 June 2017	(6,053)	(1,911)	(2,008)	-	(9,972)
	3,478	298	248	2,432	6,456

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

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

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Kerb and channel \$'000	Waste management \$'000	Parks, open spaces and streetscapes \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
Infrastructure											
At fair value 1 July 2016	258,665	14,806	25,268	124,476	59,479	24,688	1,287	10,504	10,382	1,170	530,725
Accumulated depreciation at 1 July 2016	(41,181)	(5,033)	(9,870)	(40,408)	(26,565)	(7,779)	(1,030)	(2,759)	(6,403)	-	(141,028)
	217,484	9,773	15,398	84,068	32,914	16,909	257	7,745	3,979	1,170	389,697
Movements in fair value											
Acquisition of assets at fair value	2,820	203	1,477	474	594	84	-	838	350	8,289	15,129
Contributed assets	274	-	52	-	-	46	-	-	-	-	372
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	(982)	-	(42)	-	-	(18)	-	-	-	-	(1,042)
Transfers	466	87	-	-	-	-	-	-	-	(553)	-
	2,578	290	1,487	474	594	112	-	838	350	7,736	14,459
Movements in accumulated depreciation											
Depreciation and amortisation	(2,869)	(152)	(804)	(1,477)	(1,221)	(519)	(86)	(401)	(371)	-	(7,900)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	207	-	4	-	-	15	-	-	-	-	226
Transfers	-	-	-	-	-	-	-	-	-	-	-
	(2,662)	(152)	(800)	(1,477)	(1,221)	(504)	(86)	(401)	(371)	-	(7,674)
Infrastructure											
At fair value 30 June 2017	261,243	15,096	26,755	124,950	60,073	24,800	1,287	11,342	10,732	8,906	545,184
Accumulated depreciation at 30 June 2017	(43,843)	(5,185)	(10,670)	(41,885)	(27,786)	(8,288)	(1,116)	(3,160)	(6,774)	-	(148,702)
	217,400	9,911	16,085	83,065	32,287	16,517	171	8,182	3,958	8,906	396,482

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

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

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. These unobservable inputs are not significant to the entire measurement.

The date of the current valuation is detailed in the following table.

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land – specialised	-	500	-	Jun-16
Land – non-specialised	-	291,991	-	Jun-16
Land improvements	-	-	5,004	Jun-16
Buildings – heritage	-	-	7,091	Jun-16
Buildings – specialised	-	-	34,839	Jun-16
Buildings – non-specialised	-	-	41	Jun-16
Total	-	292,491	46,9750	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Council's General Manager Infrastructure Services Mr 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 Mr Conal Creedon performed valuations for bridges, roads and earthworks and drainage for 30 June 2016 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 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Roads	-	-	217,400	Jun-16
Bridges	-	-	9,911	Jun-16
Footpaths and cycleways	-	-	16,085	Jun-16
Drainage	-	-	83,065	Jun-16
Recreational, leisure and community	-	-	32,287	Jun-16
Kerb and channel	-	-	16,517	Jun-16
Waste management	-	-	171	Jun-16
Parks, open spaces and streetscapes	-	-	8,182	Jun-16
Other infrastructure	-	-	3,958	Jun-16
Total	-	-	387,576	

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

(cont.)

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 are 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.

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.

	2017 \$000	2016 \$000
Reconciliation of specialised land		
Land under roads	500	500
Land held at anticipated restoration cost (Plenty / Kangaroo Ground Landfill Closure)	11,401	11,401
Less: accumulated depreciation	(11,401)	(11,401)
Total specialised land	500	500

NOTE 24 TRADE AND OTHER PAYABLES

Trade payables	2,043	1,600
Accrued expenses	3,420	3,042
Prepaid income	27	68
Total trade and other payables	5,490	4,710

NOTE 25 TRUST FUNDS AND DEPOSITS

	\$000	\$000
Refundable deposits	266	202
Retention amounts	469	363
Other refundable deposits	774	787
Total trust funds and deposits	1,509	1,352

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.

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.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 26 PROVISIONS

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2017			
Balance at beginning of the financial year	7,501	8,507	16,008
Additional provisions	3,417	-	3,417
Amounts used	(3,257)	-	(3,257)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(13)	(13)
Balance at the end of the financial year	7,501	8,507	16,008
2016			
Balance at beginning of the financial year	7,278	8,507	15,785
Additional provisions	3,335	-	3,335
Amounts used	(3,112)	-	(3,112)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	7,501	8,507	16,008
		2017 \$000	2016 \$000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Redundancies		422	-
Annual leave		681	632
Long service leave		892	925
		1,995	1,557
Current provisions expected to be wholly settled after 12 months			
Annual leave		1,382	1,402
Long service leave		3,570	3,699
		4,952	5,101
Total current provisions		6,947	6,658
Non-current			
Long service leave		714	843
Total non-current provisions		714	843
Aggregate carrying amount of employee provisions			
Current		6,947	6,658
Non-current		714	843
Total aggregate carrying amount of employee provisions		7,661	7,501
The following assumptions were adopted in measuring the present value of employee benefits:			
Weighted average increase in employee costs		3.10%	3.10%
Weighted average discount rates		2.20%	1.76%
(b) Land fill restoration			
Non-current		8,494	8,507
Total land fill restoration		8,494	8,507
(c) Aggregate carrying amount of provisions			
Current		6,947	6,658
Non-current		9,208	9,350
Total		16,155	16,008

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$'000	2016 \$'000
NOTE 27 INTEREST-BEARING LOANS AND BORROWINGS		
Current		
Borrowings – secured	2,203	2,322
Total	2,203	2,322
Non-current		
Borrowings – secured	11,257	11,981
Total	13,460	14,303
a) The maturity profile for Council's borrowings is:		
Not later than one year	2,203	2,322
Later than one year and not later than five years	7,084	3,369
Later than five years	4,173	8,612
Total	13,460	14,303
b) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	2,203	2,322
Non-current	11,257	11,981
Total	13,460	14,303

NOTE 28 RESERVES

	Balance at beginning of reporting period \$'000	Increment/ (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2017			
Property			
Land, land improvements and playgrounds	191,818	-	191,818
Buildings	13,526	-	13,526
Total property	205,344	-	205,344
Plant and Equipment			
Plant, machinery and vehicles	535	-	535
Furniture, equipment and computers	689	-	689
Artwork	1,368	-	1,368
Total plant and equipment	2,592	-	2,592
Infrastructure			
Roads	90,490	-	90,490
Bridges	3,916	-	3,916
Footpaths and cycleways	2,742	-	2,742
Drainage	43,367	-	43,367
Kerb and channel	8,139	-	8,139
Traffic treatments	8,659	-	8,659
Other infrastructure	401	-	401
Total infrastructure	157,714	-	157,715
Total asset revaluation reserves	365,651	-	365,651

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 28 RESERVES

(cont.)

	Balance at beginning of reporting period \$'000	Increment/ (decrement) \$'000	Balance at end of reporting period \$'000
2016			
Property			
Land, land improvements and playgrounds	146,434	45,384	191,818
Buildings	12,721	805	13,526
Total property	159,155	46,189	205,344
Plant and Equipment			
Plant, machinery and vehicles	535	-	535
Furniture, equipment and computers	689	-	689
Artwork	801	567	1,368
Total plant and equipment	2,025	567	2,592
Infrastructure			
Roads, earthworks	58,464	32,026	90,490
Bridges	3,460	456	3,916
Footpaths and cycleways	(1,124)	3,866	2,742
Drainage	45,234	(1,867)	43,367
Kerb and channel	662	7,477	8,139
Traffic treatments	8,908	(249)	8,659
Other infrastructure	401	-	401
Total infrastructure	116,005	41,709	157,714
Total asset revaluation reserves	277,186	88,465	365,651

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

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.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 28 RESERVES (cont.)

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	Net of transfer to/(from) accum. surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves			
2017			
Statutory cash backed reserves			
Car parks	97	-	97
Development planning overlays: infrastructure	2,643	167	2,810
Development contribution plans: open space	1,885	217	2,102
Development contribution construction	181	5	186
Native vegetation	238	(8)	230
Open space	937	78	1,015
Street light contributions	28	-	28
Street trees	76	-	76
Yarrambat drainage scheme	401	23	424
Yarrambat drainage extension area	149	4	153
Total cash backed statutory reserves	6,635	486	7,121
Discretionary reserves			
Bridgeford Estate	50	-	50
Carried forward projects	11,449	1,149	12,598
Cricket pitch renewal	-	2	2
Defined benefit superannuation potential future calls	1,341	-	1,341
Grants program management	91	(29)	62
Information technology	820	167	987
Leisure facility improvements	327	50	377
MAV bond repayment	1,785	1,567	3,352
Major projects	5,658	(312)	5,346
Plant replacement	1,792	751	2,543
Plenty and Kangaroo Ground landfill restoration	3,236	5	3,241
Public art program	137	30	167
Rates surplus	162	-	162
Special rates	15	(5)	10
Total discretionary reserves	26,863	3,375	30,238
Total other reserves	33,498	3,861	37,359

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 28 RESERVES (cont.)

	Balance at beginning of reporting period \$'000	Net of transfer to/(from) accum. surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves (cont.)			
2016			
Statutory cash backed reserves			
Car parks	97	-	97
Open space	610	327	937
Development planning overlays: infrastructure	2,081	562	2,643
Development contribution plans: open space	2,655	(770)	1,885
Development contribution construction	176	5	181
Native vegetation	269	(31)	238
Street light contributions	28	-	28
Street trees	76	-	76
Yarrambat drainage scheme	390	11	401
Yarrambat drainage extension area	145	4	149
Total cash backed statutory reserves	6,527	108	6,635
Discretionary reserves			
Bridgeford Estate	53	(3)	50
Carried forward projects	7,051	4,398	11,449
Defined benefit superannuation potential future calls	735	606	1,341
Grants program management	125	(34)	91
Information technology	371	449	820
Leisure facility improvements	150	177	327
Major projects	3,394	2,264	5,658
MAV bond repayment	342	1,443	1,785
Plant replacement	1,915	(123)	1,792
Plenty and Kangaroo Ground Tip restoration	2,874	362	3,236
Public art program	133	4	137
Rates surplus	106	56	162
Special rates	4	11	15
Total discretionary reserves	17,253	9,610	26,863
Total other reserves	23,780	9,718	33,498
	2017	2016	
	\$'000	\$'000	
(c) Statutory cash backed and capital works reserves			
Statutory cash backed reserves	7,121	6,635	
Discretionary reserves:			
Carried forward projects	12,598	11,449	
Plant replacement	2,543	1,792	
Bridgeford Estate	50	50	
Plenty and Kangaroo Ground landfill restoration	3,241	3,236	
Total externally restricted reserves	25,553	23,162	

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

	2017 \$000	2016 \$000
NOTE 29 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)		
Surplus/(deficit) for the year	15,922	4,693
Depreciation	10,415	9,845
(Profit)/loss on disposal of property, infrastructure, plant and equipment	896	13,588
Share of net (profits)/losses of associate	(87)	(93)
Contributions – non-monetary assets	(372)	(1,607)
Borrowing cost	885	931
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	38	34
(Increase)/decrease in prepayments	(628)	(659)
(Increase)/decrease in accrued income	113	(131)
Increase/(decrease) in trade and other payables	780	462
(Increase)/decrease in inventories	(8)	3
Increase/(decrease) in provisions	147	223
Increase/(decrease) in trust funds	157	44
Net cash provided by/(used in) operating activities	28,258	27,333

NOTE 30 FINANCING ARRANGEMENTS

Bank overdraft and drawdown available	-	-
Credit card facilities	153	153
Total facilities	153	153
Used facilities	21	20
Unused facilities	132	133
Total	153	153

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 31 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
2017					
Operating					
Community programs	1,017	855	-	-	1,872
Economic development	51	-	-	-	51
Environment	10	10	10	-	30
Fleet	305	153	-	-	458
Infrastructure maintenance	329	457	352	-	1,138
Organisational support	762	370	358	-	1,490
Sport and leisure	1,361	188	197	-	1,746
Waste	33	33	33	-	99
Total	3,868	2,066	950	-	6,884

Capital					
Land	2,671	1,315	-	-	3,986
Buildings	13,454	15	-	-	13,469
Plant and equipment	-	-	-	-	-
Infrastructure	221	-	-	-	221
Total	16,346	1,330	-	-	17,676

	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
2016					
Operating					
Community programs	291	1,017	855	-	2,163
Economic development	-	51	-	-	51
Environment	-	10	20	-	30
Fleet	725	305	153	-	1,183
Infrastructure maintenance	439	329	809	-	1,577
Organisational support	340	762	728	-	1,830
Sport and leisure	1,299	1,361	385	-	3,045
Waste	-	33	66	-	99
Total	3,094	3,868	3,016	-	9,978

Capital					
Land	2,174	2,671	1,315	-	6,160
Buildings	9,021	13,454	15	-	22,490
Plant and equipment	-	-	-	-	-
Infrastructure	83	221	-	-	304
Total	11,278	16,346	1,330	-	28,954

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 32 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):

	2017 \$000	2016 \$000
Not later than one year	816	903
Later than one year and not later than five years	1,371	1,984
Later than five years	246	441
	2,433	3,328

NOTE 33 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 2017, this was 9.5 percent required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the defined benefit category. The vest benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 102.0 per cent. To determine the VBI, the Fund Actuary used the following long-term assumptions.

Net investment return	7.0 per cent per annum
Salary inflation	4.25 per cent per annum
Price inflation (CPI)	2.5 per cent per annum

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1 per cent. The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the 2016 interim actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 33 SUPERANNUATION (cont.)

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's defined benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5 percent of members' salaries (9.5 per cent in 2015/2016). This rate will increase in line with any increase to 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 percent.

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.

2016 interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 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 2016.

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 30 June 2016 VBA during August 2016.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

Council has paid no unfunded liability payments to Vision Super. There were contributions outstanding of \$18,388 and no loans issued from or to the above schemes as at 30 June 2017. The expected contribution to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$0.209 million.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

Superannuation

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. Matters relating to this potential obligation are outlined in Note 33. 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.

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 2016 (\$20,000 in 2015). 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 2016 (\$20,000 in 2015). 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.

	2017	2016
	\$000	\$000

Guarantees for loans to other entities

Total guarantees for loans to other entities	1,077	1,039
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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.

Total contributions – non monetary received by Council	372	1,607
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NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

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:

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

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

There are no material financial assets which are individually determined to be impaired. 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 2017

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; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 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 reflects their fair value.

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1 per cent and -1 per cent in market interest rates (AUD) from year-end rates of 2.6 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 2017

NOTE 36 RELATED PARTY TRANSACTIONS

(i) Related parties

Subsidiaries and associates

Interests in subsidiaries and associates are detailed in note 16.

(ii) Key management personnel

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

Councillors

Cr Peter Clarke (Mayor 08/11/2016 – 30/06/2017)
 Cr Jane Ashton (08/11/2016 – 30/06/2017)
 Cr Grant Brooker (08/11/2016 – 30/06/2017)
 Cr John Dumaresq (08/11/2016 – 30/06/2017)
 Cr Karen Egan (08/11/2016 – 30/06/2017)
 Cr Peter Perkins (08/11/2016 – 30/06/2017)
 Cr Bruce Ranken (08/11/2016 – 30/06/2017)
 Cr Bronnie Hattam (Mayor 01/07/2016 – 21/10/2016)
 Cr Helen Coleman (01/07/2016 – 21/10/2016)
 Cr Ken King (01/07/2016 – 21/10/2016)
 Cr Meralyn Klein (01/07/2016 – 21/10/2016)
 Cr Peter Perkins (01/07/2016 – 21/10/2016)
 Cr Anika Van Hulsen (01/07/2016 – 21/10/2016)
 Cr Michael Young (01/07/2016 – 21/10/2016)

Chief Executive Officer

Mr Stuart Burdack (01/07/2016 – 24/12/2016)
 Mr Mark Stoermer (Acting, 30/01/2017 – 29/03/2017)
 Mr Mark Stoermer (30/03/2017 – 30/06/2017)

Key Management Personnel reporting directly to the CEO

Mr Conal Creedon, General Manager Infrastructure Services
 Ms Clemence Gillings, General Manager Community and Leisure (01/07/2015 – 29/01/2016)
 Ms Pauline Gordon, General Manager Community and Leisure (01/07/2016 – 05/05/2017)
 Mr Andrew Port, General Manager Corporate Services
 Mr Ransce Salan, General Manager Environment and Planning (01/07/2016 – 17/03/2017)
 Ms Suzy Ellingsen, Manager People, Culture and Innovation
 Mr Jeremy Livingston, Acting Director Services and Planning
 Mr Vincenzo Lombardi, Manager Finance
 Ms Naomi Paton, Acting Director Business and Strategy
 Ms Lisa Pittle, Acting Director Sustainability and Place
 Ms Allison Watt, Manager Governance

Total number of Councillors	13	7
Chief Executive Officer and other key management personnel	12	5
Total key management personnel	25	12

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 36 RELATED PARTY TRANSACTIONS

(cont.)

(iii) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2017 \$'000	2016 \$'000
Short-term benefits	2,326	1,359
Long-term benefits	161	-
Termination benefits	171	-
Totals	2,658	1,359

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

	2017	2016
\$1 – \$9,999	5	-
\$10,000 – \$19,999	5	-
\$20,000 – \$29,999	2	5
\$30,000 – \$39,999	-	-
\$40,000 – \$49,999	-	1
\$50,000 – \$59,999	1	-
\$60,000 – \$69,999	-	-
\$70,000 – \$79,999	-	-
\$150,000 – \$159,999	2	-
\$160,000 – \$169,999	3	-
\$170,000 – \$179,999	1	-
\$180,000 – \$189,999	-	-
\$190,000 – \$199,999	-	-
\$200,000 – \$209,999	-	1
\$210,000 – \$219,999	4	4
\$220,000 – \$229,999	-	-
\$230,000 – \$239,999	-	-
\$300,000 – \$309,999	-	-
\$320,000 – \$329,999	2	1
Totals	25	12

(iv) Transactions with related parties

During the period Council entered into the following transactions with related parties:

Purchase of property at public auction	320
Payment of invoices to related party supplier for services rendered	10
Total transactions with related parties	330

(v) Outstanding balances with related parties

There were no outstanding balances at the end of the reporting period in relation to transactions with related parties.

(vi) Loans to/from related parties

There were no loans made, guaranteed or secured by Council to a related party during the reporting period and no loans to or from related parties outstanding as at the end of the reporting period.

(vii) Commitments to/from related parties

There were no commitments in existence at balance date that were made, guaranteed or secured by Council.

NOTES TO THE FINANCIAL REPORT

For the year ending 30 June 2017

NOTE 37 SENIOR OFFICERS REMUNERATION

A Senior Officer is an officer of Council, other than key management personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$142,000

The number of Senior Officers other than the key management personnel, are shown below in their relevant income bands:

Income Range:	2017	2016
\$140,000 – \$149,999	3	4
\$150,000 – \$159,999	2	6
\$160,000 – \$169,999	2	4
\$170,000 – \$189,999	-	-
\$190,000 – \$199,999	-	-
\$200,000 – \$209,999	-	1
\$210,000 – \$219,999	-	3
	7	18
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,101	2,258


NOTE 38 EVENTS OCCURRING AFTER BALANCE DATE

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

CERTIFICATION OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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: 29 August 2017

GREENSBOROUGH

In our opinion the accompanying financial statements present fairly the financial transactions of Nillumbik Shire Council for the year ended 30 June 2017 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.



Peter Clarke (Mayor)
Councillor
Date: 29 August 2017



Karen Egan (Deputy Mayor) (Deputy Mayor)
Councillor
Date: 29 August 2017



Mark Stoermer
Chief Executive Officer
Date: 29 August 2017

GREENSBOROUGH

AUDITOR GENERAL'S REPORT

on the Financial Report and Standard Statements



Independent Auditor's Report

To the Councillors of Nillumbik Shire Council

Opinion	<p>I have audited the financial report of Nillumbik Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">balance sheet as at 30 June 2017comprehensive income statement for the year then endedstatement of changes in equity for the year then endedstatement of cash flows for the year then endedstatement of capital works for the year then endednotes to the financial statements, including a summary of significant accounting policiescertification of the financial statements.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
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My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>
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In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

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AUDITOR GENERAL'S REPORT

on the Financial Report and Standard Statements

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
5 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Sustainable Capacity Indicators

INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,220.30	\$1,447.43	\$1,231.36	This result reflects once-off adjustments to Council's asset register of \$13.5 million in 2015-2016 to correct ownership of non-council assets.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$6,316.21	\$7,081.93	\$7,215.87	This result is consistent with the previous years. The increase is reflective of Council's continued investment in infrastructure and a stable population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	82.08	81.09	81.81	The increase in population density per length of road reflects a 556 person increase in population.
Own-source revenue				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,194.05	\$1,212.10	\$1,208.79	The result is reflective of the stable population.
Recurrent grants				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$135.90	\$81.75	\$126.67	The variance is due to the timing of Commonwealth Financial Assistance Grant payments received in advance.
Disadvantage				
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	This result is consistent with the previous years.

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Service Performance Indicators

SERVICE/INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
Aquatic Facilities				
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.18	2.56	0.80	Council's only indoor aquatic facility at the Eltham Leisure Centre was closed during 2016-2017 while undergoing a \$19 million redevelopment. The closure significantly impacted on the number of visits to Council's aquatic facilities. Council's only outdoor aquatic facility at Diamond Creek is open seasonally from November to March.
Animal Management				
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	5.00	8.00	8.00	Of the eight prosecutions, two were for dog attacks; one was for a breach of bond (relating to a dog attack); one for a dog wandering at large; three for failure to comply with dangerous dog requirements and failure to register; and one failure to register (declared dangerous dog).
Food Safety				
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	92.41%	100.00%	100.00%	All inspections of food premises resulting in a critical or major non-compliance result were followed up by Council.
Governance				
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	66.70	64.20	57.40	In the 2017 Annual Community Survey, satisfaction with Council's performance in making decisions in the interests of the community declined from 64.2 out of 100 to 57.4 out of 100. Survey respondents from the rural areas were most dissatisfied with Council's performance in this area.
Home and Community Care (HACC)				
Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	24.50%	23.88%	-	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<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%	40.84%	-	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Service Performance Indicators

SERVICE/INDICATOR/MEASURE	2015	2016	2017	MATERIAL VARIATIONS
Libraries				
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	24.88%	23.71%	25.94%	During the year, 16,383 Nillumbik residents were active library members. This figure does not take into account the number of residents who utilise the many services provided by the Eltham and Diamond Valley libraries but may not be members of the Yarra Plenty Regional Library Service.
Maternal and Child Health (MCH)				
Participation <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%	72.88%	77.76%	Participation in the Maternal and Child Health 10 Key Ages and Stages consultations in Nillumbik continues to be at or above the state average. During the 2016-2017, 2,019 consultations were provided by Nillumbik.
Participation <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%	75.76%	68.29%	Participation in the Maternal and Child Health 10 Key Ages and Stages consultations, Nillumbik continues to be at or above the state average. Participation by Aboriginal children remains fairly consistent.
Roads				
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.60	65.20	65.30	In the 2017 Annual Community Survey, satisfaction with the maintenance and repairs of sealed local roads remained stable at 65.3 out of 100, compared to 65.2 out of 100 in 2016. This level of satisfaction remains categorised as 'good'.
Statutory Planning				
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	36.36%	70.00%	63.16%	VCAT upheld fewer of Council's decisions in the 2016-2017 financial year. Twelve decisions were upheld out of 19, compared to seven out of 10 in 2015-2016.
Waste Collection				
Waste diversion <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	70.00%	69.30%	66.17%	Nillumbik residents diverted more than 14,379 tonnes of kerbside waste from landfill during 2016-2017, ensuring Nillumbik continues to be well above the State diversion targets.

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Financial Performance Indicators

DIMENSION/ INDICATOR/MEASURE	RESULTS			FORECASTS				MATERIAL VARIATIONS
	2015	2016	2017	2018	2019	2020	2021	
Efficiency								
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$2,463.03	\$2,569.65	\$2,617.22	\$2,613.97	\$2,681.60	\$2,757.73	\$2,835.98	This increase reflects a budgeted increase in rates and charges and additional rateable properties created during the year throughout the shire.
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,186.17	\$3,329.18	\$3,240.42	\$3,317.54	\$3,410.29	\$3,476.33	\$3,541.38	This result shows a positive relationship regarding the growth in rateable properties across the shire in line with a growth in expenditure, this trend is projected to remain stable in future years.
Workforce turnover <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%	12.94%	10.31%	6.02%	5.93%	5.93%	5.93%	Due to an organisational restructure, some positions remained vacant for extended periods and resignations/terminations was higher than average.
Liquidity								
Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	265.70%	351.48%	353.27%	236.39%	264.45%	360.72%	273.98%	This result is consistent with the prior year. The main driver behind the result is an increase in cash on hand held which is largely due to an increase in grants received for scheduled capital works.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	71.82%	62.99%	53.74%	144.12%	151.31%	209.29%	172.91%	This result is reflective of a marginal increase in current liabilities and a larger proportion of cash being restricted for capital works.

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Financial Performance Indicators

DIMENSION/ INDICATOR/MEASURE	RESULTS			FORECASTS				MATERIAL VARIATIONS
	2015	2016	2017	2018	2019	2020	2021	
Obligations								
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	52.09%	74.99%	70.56%	64.94%	65.24%	57.11%	66.64%	The variance is reflective of Council allocating a larger proportion of capital works funding to upgrading facilities as opposed to renewal works.
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	26.74%	23.76%	21.53%	20.40%	18.88%	16.37%	19.28%	Council continues to reduce the existing loans and is not projecting to take out further loans.
Loans and borrowings <i>Repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.47%	2.88%	2.76%	2.47%	2.14%	3.04%	1.89%	Council's loan balances are reducing.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	27.87%	34.24%	26.81%	25.47%	22.82%	21.12%	16.61%	The variance is due to a one-off adjustment to Council's asset register of \$13.5 million in the 2015-2016 year. The projections in outer years show a declining result which is reflective of the reduction in debts.

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Financial Performance Indicators

DIMENSION/ INDICATOR/MEASURE	RESULTS			FORECASTS				MATERIAL VARIATIONS
	2015	2016	2017	2018	2019	2020	2021	
Operating position								
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	9.79%	-12.92%	8.46%	4.07%	4.31%	5.15%	6.00%	This result reflects once-off adjustments to Council's asset register of \$13.5 million in 2015-2016 to correct ownership of non-council assets.
Stability								
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	66.41%	88.26%	73.59%	75.24%	74.90%	74.90%	74.94%	This result reflects once-off adjustments to Council's asset register of \$13.5 million in 2015-2016 to correct ownership of non-council assets.
Rates effort								
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.41%	0.43%	0.39%	0.39%	0.40%	0.41%	0.42%	The decrease is due to the property revaluation held during the year, even though there was a minor rate increase in accordance with the State Government's cap on rate increases.

PERFORMANCE STATEMENT

For the year ended 30 June 2017

Notes to the Performance Statement

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*).

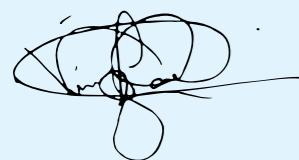
The performance statement presents the actual results for the current and three preceding years and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires 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 2017

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: 29 August 2017

GREENSBOROUGH

In our opinion, the accompanying performance statement of Nillumbik Shire Council for the year ended 30 June 2017 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.



Peter Clarke (Mayor)
Councillor
Date: 29 August 2017



Karen Egan (Deputy Mayor) (Deputy Mayor)
Councillor
Date: 29 August 2017



Mark Stoermer
Chief Executive Officer
Date: 29 August 2017

GREENSBOROUGH

AUDITOR GENERAL'S REPORT

on the Performance Statement



Independent Auditor's Report

To the Councillors of Nillumbik Shire Council

Opinion	<p>I have audited the accompanying performance statement of Nillumbik Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">description of municipality for the year ended 30 June 2017sustainable capacity indicators for the year ended 30 June 2017service performance indicators for the year ended 30 June 2017financial performance indicators for the year ended 30 June 2017other information andthe certification of the performance statement. <p>In my opinion, the performance statement of Nillumbik Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

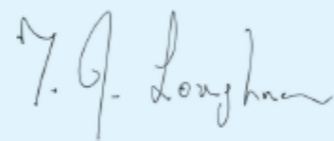
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AUDITOR GENERAL'S REPORT

on the Performance Statement

Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none">• identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control• evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
5 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria



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