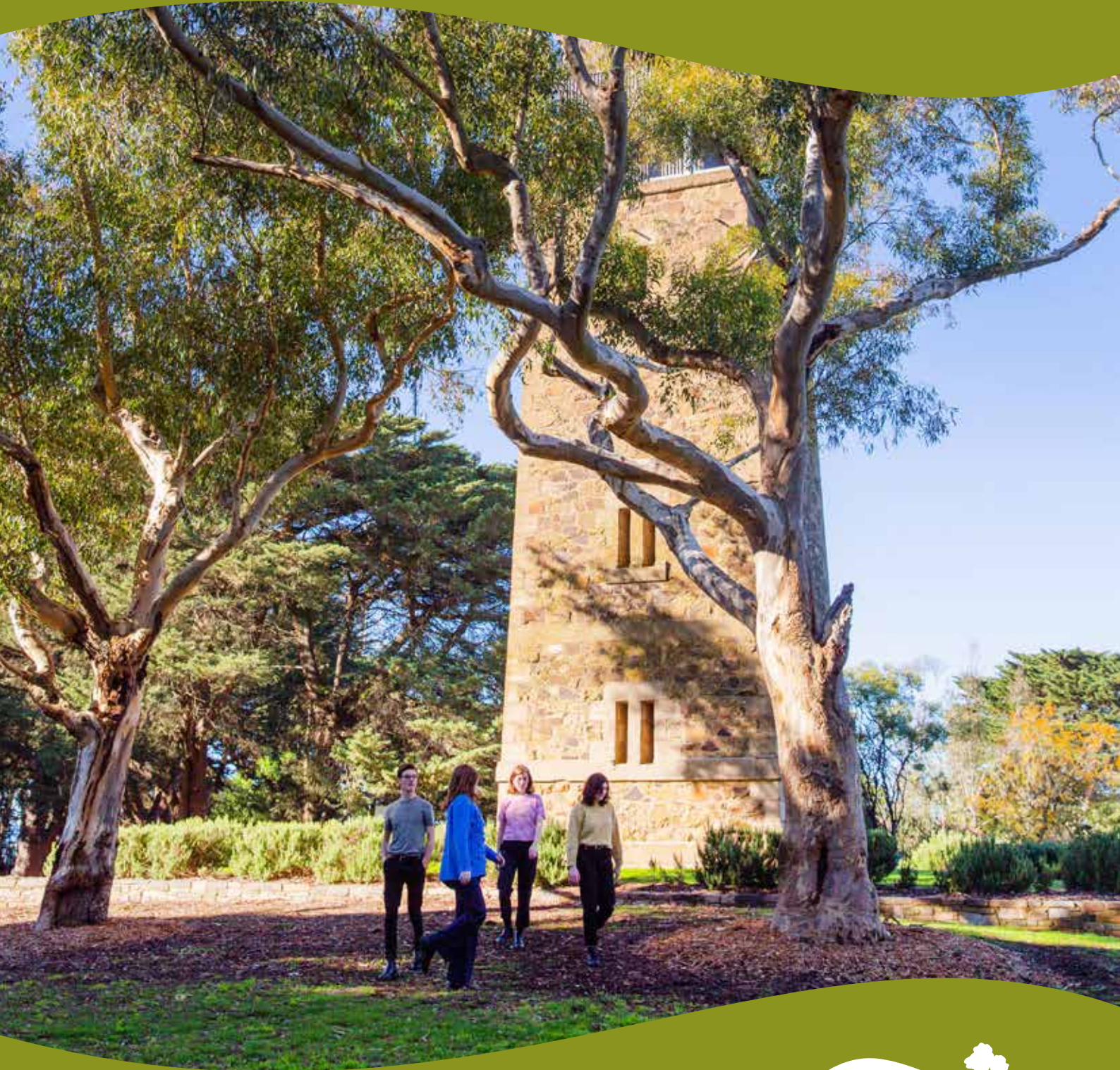


Annual Report 2018-2019



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Acknowledgement of traditional owners

Nillumbik Shire Council acknowledges the Wurundjeri people who are the Traditional Custodians of Land known today as Nillumbik. We pay respect to the Elders both past and present and extend that respect to other Indigenous Australians.

About the annual report

The structure of this report

This report is divided into four broad sections:

1. An overview of Council's performance, including financial performance, sustainability, community engagement, *Council Plan 2017-2021* delivery and prescribed performance indicators and service measures (pages 19-95)
2. An overview of Council's major capital works, the shire of Nillumbik and our people (pages 96-120)
3. Corporate governance and statutory reporting (pages 121-143)
4. Financial and performance statements (pages 144-205).

Nillumbik Shire Council's Annual Report 2018-2019 is an important part of Council's commitment to open, transparent and accountable governance. The report is required under section 131 of the *Local Government Act 1989* (the Act) and the *Local Government (Planning and Reporting) Regulations 2014*.

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 2018-2019 financial year against the five strategic objectives set out in the *Council Plan 2017-2021* and *Budget 2018-2019*.

The report details Council's operations and performance during the financial year, consistent with the State Government's Local Government Performance Reporting Framework (LGPRF).

The report highlights achievements and challenges in key operational areas and provides comprehensive corporate governance information as well as audited financial statements. It also includes issues impacting the sustainability of Nillumbik, and Council's financial and sustainability performance.

The report also includes statutory reporting and legislative information, and fulfils Council's statutory obligations under the Act and other legislation.

The previous annual report was provided to the Minister for Local Government in accordance with the Act and was published in October 2018.

How to obtain a copy of this annual report

Copies of this annual report can be obtained by:

1. Logging onto the Council publications section of the Nillumbik Council website: nillumbik.vic.gov.au
2. Telephoning Customer Service on 9433 3111
3. Sending an email to nillumbik@nillumbik.vic.gov.au
4. Writing to Nillumbik Shire Council, PO Box 476 Greensborough VIC 3088.

Nillumbik Shire Council 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 Business Transformation and Performance department on 9433 3111 or email nillumbik@nillumbik.vic.gov.au.



Kangaroos at Kangaroo Ground

Snapshot of the shire

- Our Vision** To be Australia's most-liveable shire.
- Our Mission** Working with our community for a thriving, sustainable future.
- Our Values** We ensure our values are at the forefront in everything we do; respect, integrity, collaboration, adaptability, community

Area: 431.94 square kilometres



64,941 total population

- 24.2% of population aged 0-17 years
- 56.0% of population aged 18-59 years
- 19.8% of population aged 60 years and over

28.4% have a university qualification (Bachelor or higher)



- 35% High-income households (\$2,500 per week or more)
- 9.9% Low-income households (less than \$650 per week)
- 4.3% Unemployment



23,662 rateable properties

- 6.5% Medium and high-density housing
- 9.3% Households renting
- 47.8% Households with a mortgage
- 47% Couples with children
- 24.7% Couples without children

70% travel to work by car (either as driver or passenger)



9% speak a language other than English at home

If you require the annual report in an alternative format, please contact 9433 3111.



Year at a glance



Council plan goal – Engaged, connected communities

Page 47

✓ Achievements Page 48

- Continued implementation of priority actions under the *Health and Wellbeing Plan 2017-2021* (see page 35).
- Council's branding and logo was refreshed to modernise our communications and promotional material (see page 34).
- Extensive community engagement for the *Green Wedge Management Plan* review (see page 32), *Diamond Creek Regional Playspace* (page see 101) and *Fireworks Local Law* (see page 75).
- Recorded Council's second highest ever community satisfaction rating in the *Annual Community Survey* (see page 28).

🔍 Challenges Page 48

- Ensuring that the *Bushfire Mitigation Strategy* reflects a truly comprehensive and consultative approach to fire mitigation (see pages 32 and 38).
- Ensuring the *Community Infrastructure Plan* reflects community needs and priorities through effective consultation and engagement (see page 35).
- Ensuring community readiness in the face of high potential for bushfires in the 2019-2020 summer period (see page 52).




➡ The year ahead Page 48

- Develop the *Community Infrastructure Policy* and associated guidelines.
- Implement the preferred option for the management and operation of *Edendale Community Environment Farm*.
- Develop a *Lifelong Learning Action Plan*.
- Develop a background paper and research paper to inform development of the *2050 Shire Plan* in 2021.



Council plan goal – Active and creative people




Page 61

|  Achievements Page 62 |  Challenges Page 62 |  The year ahead Page 62 |
|--|---|--|
| <ul style="list-style-type: none"> Completed installation of floodlights and commenced construction of new pavilion at Marngrook Oval in Diamond Creek (see page 99). Implementation of the 2018-2022 Arts and Cultural Plan sees over 153,000 participants in Council's creative and cultural programs (see pages 37 and 62). Completed redevelopment of Eltham Lower Park (see page 98) and Susan Street Reserve Pavilions (see page 100). Re-opened the Eltham Leisure Centre aquatic facilities following extensive redevelopment (see pages 65 and 98). Opened new playgrounds at Eltham North (see pages 53 and 99) and Civic Drive, Greensborough (see pages 65 and 96). The Eltham North Adventure Playground was re-opened, and was also awarded the Best New Playspace in Victoria and Tasmania at the Parks and Leisure Australia Awards (see page 53). | <ul style="list-style-type: none"> Delivering a significant capital works program on time and within budget (see pages 96-100). Improving responsiveness to community and sporting club requests for service (see pages 27 and 62). Improving accessibility, gender equality and female representation in sport (see page 27). | <ul style="list-style-type: none"> Continue to deliver key community infrastructure projects. Continue to implement the adopted Arts and Culture Plan, including the Artist in Residence Program. Progress the missing link of the Diamond Creek Trail, and continue to advocate and lobby for funding for the broader trails network. Commence development of the business and master plan for the development of a public art gallery. |



Council plan goal – Safe and healthy environments




Page 67

|  Achievements Page 68 |  Challenges Page 68 |  The year ahead Page 68 |
|--|--|---|
| <ul style="list-style-type: none"> Developed the draft <i>Green Wedge Management Plan</i> and released for public consultation (see pages 32 and 38). The <i>Domestic Wastewater Management Plan 2019</i> was adopted following community engagement and consultation (see pages 33, 40 and 78). Developed the Council's <i>Bushfire Mitigation Strategy</i> following extensive community consultation (see pages 32 and 38). Delivered over \$300,000 of improvement works to pedestrian, bicycle and horse riding trails (see page 40). | <ul style="list-style-type: none"> Ensure a balanced, consultative approach to the development of the <i>Green Wedge Management Plan</i> for the protection of the Green Wedge now and into the future (see pages 32 and 38). Continue to actively advocate for funding for traffic congestion and safety improvements, including addressing the future impacts of North East Link on the shire's road network (see page 40). Ensuring appropriate action is undertaken and advice provided in response to the SKM recycling issue (see page 69). | <ul style="list-style-type: none"> Present the <i>Green Wedge Management Plan</i> for Council adoption, and implement a program of actions in support of the adopted plan. Develop a shire-wide <i>Housing Strategy</i> for Council adoption. Commence implementing a program of actions under the <i>Bushfire Mitigation Strategy</i>. Continue to implement the adopted <i>Health and Wellbeing Plan</i> and deliver initiatives in partnership with the community. |



Council plan goal – A prosperous economy




Page 81

|  Achievements Page 82 |  Challenges Page 82 |  The year ahead Page 82 |
|---|---|--|
| <ul style="list-style-type: none"> • Commenced development of a new <i>Nillumbik Economic Development Strategy</i> (see page 42). • Completed year 1 of the Yarra Ranges Tourism partnership and transition to Visit Nillumbik (see pages 42 and 83). • Completed streetscape works in Hurstbridge (see page 43). • Commenced development of an <i>Equine Industry and Activity Plan</i> (see page 82). | <ul style="list-style-type: none"> • Continuing to identify opportunities for support and development of specific industries, business and employment opportunities in rural and activity centres within the shire (see page 82). • Implementation and delivery of township and strategic plans are contingent on external funds (see page 43). | <ul style="list-style-type: none"> • Implement a program of actions to support the adopted <i>Nillumbik Economic Development Strategy</i>. • Implement a program of actions to support the adopted <i>Equine Industry and Activity Plan</i>. • Develop a streetscape improvement plan for the Yarrambat township. • Draft Eltham and Diamond Creek Structure Plans for Council adoption. |



Council plan goal – Responsible leadership

Page 87

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|--|--|--|
| <ul style="list-style-type: none"> • Maintained rates at 0.25 per cent below the state-wide rate cap (see pages 21 and 45). • Completed and launched Council's first customer experience strategy – <i>Nillumbik Customer First</i> (see pages 45 and 92-93). • Council's customer service was rated in the top five of 145 organisations, and in the top five councils (see pages 92-93). • Recorded overall positive and improved results in the Annual Community Survey (see page 28). • Completed five strategic service reviews to ensure that service provision remains relevant and responsive to community needs (see pages 45 and 134). • Council's vision, mission and values were re-scoped to ensure shared clarity of purpose across all staff (see pages 3 and 112). | <ul style="list-style-type: none"> • Continuing our low-rating strategy and reducing debt while maintaining service levels (see pages 21 and 45). • Sourcing alternate funding streams to maintain Council's infrastructure portfolio to meet the future needs of the community (see pages 96-100). • Developing internal management capability to ensure effective delivery of Council Plan actions (see pages 108-109). • Ensuring outdated technology is updated or replaced to maintain Council's ability to work efficiently and provide effective services (see pages 45, 92 and 134). | <ul style="list-style-type: none"> • Commence implementation of a new asset management system rollout to support improved service delivery. • Commence implementation of high-priority actions from the <i>Digital Transformation Strategy</i>. • Continue to advocate to other levels of government on important policy issues that affect the Nillumbik community. • Implement year 2 actions of the <i>Nillumbik Customer First Strategy</i>. |

Mayor's message

I am delighted to be the first Mayor elected by Councillors from the rural ward of Bunjil. This has ensured rural parts of our great shire receive the focus it deserves. The Annual Community Survey results show rural residents' satisfaction has increased by more than 10 per cent.

2018-2019 has been a year of getting on with the delivery of the Council Plan and continuing to drive a customer first culture throughout all areas of Council. This push is certainly paying dividends with the results of the Community Survey showing the best overall satisfaction results for Council to date. Figures show that a higher number of people believe Council's overall performance has improved significantly compared to last year.

Nillumbik was also named the 'happiest shire' in Australia by Queensland's Bond University, which found that we have the highest quality of life in the country. We know our residents value our way of life, our environment, our artistic heritage and our suburban culture.

A number of vital Council strategies are almost complete and have been through rigorous consultation processes. Council's *Bushfire Mitigation Strategy* will be finalised in 2019. I thank former Emergency Services Commissioner, Craig Lapsley, for the work he completed on Council's behalf to identify and clarify Council's approach to bushfire mitigation.

The renewed *Green Wedge Management Plan* is almost complete. As a first for Council, a community panel made up of more than 40 randomly selected residents across the shire was part of the process to ensure we have a balanced approach to protect the Green Wedge now and into the future.

Council's delivery of infrastructure projects remains a priority. By October next year, we will have completed a record 18 projects worth about \$55 million. One of the shire's largest ever infrastructure projects, the \$20.2 million refurbished Eltham Leisure Centre, was officially opened in September 2018.

New buildings and upgrades are currently underway and on track to be delivered in the next financial year with an emphasis on increasing accessibility and female participation in sport.

It was encouraging to see the level of support we received from the community towards the rebuild of the Eltham North Adventure Playground, destroyed by fire at Christmas time in 2017. This is a fantastic example of what can be achieved when the community, Council and State Government work together to deliver projects for the community. In fact, the playground was recently awarded Tasmania and Victoria's best playspace at the Park and Leisure Australia awards. The winner of the national award will be announced in late 2019.

The new \$1.3 million Civic Drive Playspace was also delivered and has proven to be a huge hit with children across the shire; particularly in the south-west of Nillumbik. Planning is well underway for the new \$2.5 million Diamond Creek Regional Playspace. We look forward to starting the construction of this playground this year following comprehensive community consultation, with a particular focus on young people.

On a sombre note, our shire remembered the 10-year anniversary of the Black Saturday Bushfires in February 2019. It was a private time for many, a heavyhearted reflection of the loss suffered in the shire and more broadly across Victoria.

Moving forward to 2019-2020, Council still has a lot to do. Guided by the shire's new Chief Executive Officer, Carl Cowie, the administration has worked relentlessly to deliver on projects and strategies in a financially responsible manner as Council continues on its low-rating strategy and promise to reduce debt.

I thank the community for the support over the year and we look forward to delivering even more across our shire in 2019-2020.



Cr Karen Egan
Mayor

CEO's message

This 2018-2019 Annual Report highlights the significant amount of work which Council has undertaken in the service of the community. A record number of community infrastructure projects were delivered, as well as an expanding range of community services offered. Community engagement was strong with a major focus on the *Green Wedge Management Plan*.

The latest *Annual Community Survey* assessed Council's performance for the community up 5 per cent on the previous results. Residents told us they are most satisfied with the green waste collection program, environmental activities, libraries, sport ovals and facilities, cultural events and services for our younger children.

Focusing on customer service, our Council was rated second out of 145 organisations (and in the top five councils) for excellence in customer service. The results form part of an independent assessment carried out by an external benchmarking company who, under the guise of mystery shoppers, assessed the customer service team on phone skills ranging from call introduction, knowledge and information flow, through to call closure.

Since commencing the CEO role in October 2018, the first nine months have been dedicated to developing internal management capability to help Council to continue to deliver on its Council Plan commitments.

A renewed focus on delivering projects, closer internal collaboration and looking to the future of work through digital business transformation occupied a lot of the planning time for the future of Council to be able to deliver a more seamless 'hassle free' service to the community.

In order that Council continues to put the community at the centre of everything that we do, Council will focus on a digital business transformation. Our systems have reached the end of their useful life and need to be

updated to allow us to serve the community effectively and in a timely, informative fashion. Transitioning to systems and processes that better suit the community will enhance customer experience and enable service levels to continue at times not traditionally associated with "business hours". There is a strong need to give staff the tools to enable them to work more efficiently.

As we look forward to the next 12 months at Council, there are many other exciting projects the Council staff are working on to deliver for the community; concluding the Research Park Pavilion, two sports pavilions at Eltham North, constructing the Diamond Creek regional playspace (complete with Melbourne Tram Car café) and getting on and building the next stage of the bike trail (for walkers and horse riders, too) from Diamond Creek to Hurstbridge to name but a few.

All of our work would not be possible without the strong support of Council, and I would like to thank the Mayor and Councillors for their support since I joined Nillumbik.

A huge thanks also to the Executive Management Team, management and staff who have worked tirelessly to deliver for our community.

I, too would like to thank the many community members for their welcome and positive encouragement to me and the staff for the work we are doing; it is very much appreciated.

I look forward to another busy year ahead, continuing to deliver the remainder of the *Council Plan 2017-2021*.



Carl Cowie
Chief Executive Officer



Mayor Karen Egan with local children on National Tree Day

Case study

Nillumbik – the happiest shire in Australia

In November 2018, the *Herald Sun* reported that Nillumbik is “officially the happiest shire in Australia”.

Council’s vision is to be “Australia’s most liveable shire” and recent findings from a landmark national research project by Queensland’s Bond University found that the residents of Nillumbik have the highest overall quality of life in Australia.

The university’s Happiness Project analysed Census and other publicly available data to measure 540 Australian municipalities across nine key categories affecting quality

of life: housing affordability; education; community; jobs; wealth; accessibility; work-life balance; health and safety. Each life area was scored out of 10.

The project also identified that in Victoria, the Nillumbik community has the highest quality of life; are the second ‘smartest’ shire and ranked seventh for the highest number of couples.

Through results such as the Happiness Project findings and our Annual Community Survey, Council knows that our residents value our way of life, our environment, our artistic heritage and our suburban culture.



Black Saturday Memorial Garden at the Wadambuk St Andrews Community Centre

Case study

Commemorating 10 years since the Black Saturday bushfires

“Thru sorrow we unite”

The 2009 Victorian Bushfires Commemoration and Community Development Scheme approved seven local applications to commemorate the devastating bushfires which tore through the shire on Saturday 7 February 2009. In total, 173 Victorians lost their lives, more than 400 were injured and a huge number of homes and structures were destroyed.

The strong and consistent message from the community has been that any commemorative activities be carried out with the dignity and sensitivity in keeping with the solemnity of the occasion.

The Victorian Government awarded grants of nearly \$33,000 to mark the 10th anniversary of

the tragedy which benefited seven Nillumbik community initiatives.

Mayor Karen Egan welcomed local community initiatives as a way to mark the darkest day in the shire’s history, saying “these projects aim to recognise this important date with the dignity and sensitivity it deserves”.

Some of the projects included:

- an open day with a film and a psychologist guest speaker at Wadambuk St Andrews Community Centre
- showcase of the publication of the memoir *The Butterfly Effect* at the Butterfly Community Arts studio
- a community dinner for residents at Christmas Hills Landcare
- a special memorial exhibition ‘Renewal’ at the Eltham Library Community Gallery and Wadambuk Art Gallery, St Andrews, which attracted 7,244 visitors
- a commemoration and remembrance event held by the Strathewen 10th Anniversary Working Group.



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. The 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 about 6.4 million people (source: Australian Bureau of Statistics (ABS) 3101.0, March 2018). 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 (CEO).

About councillors

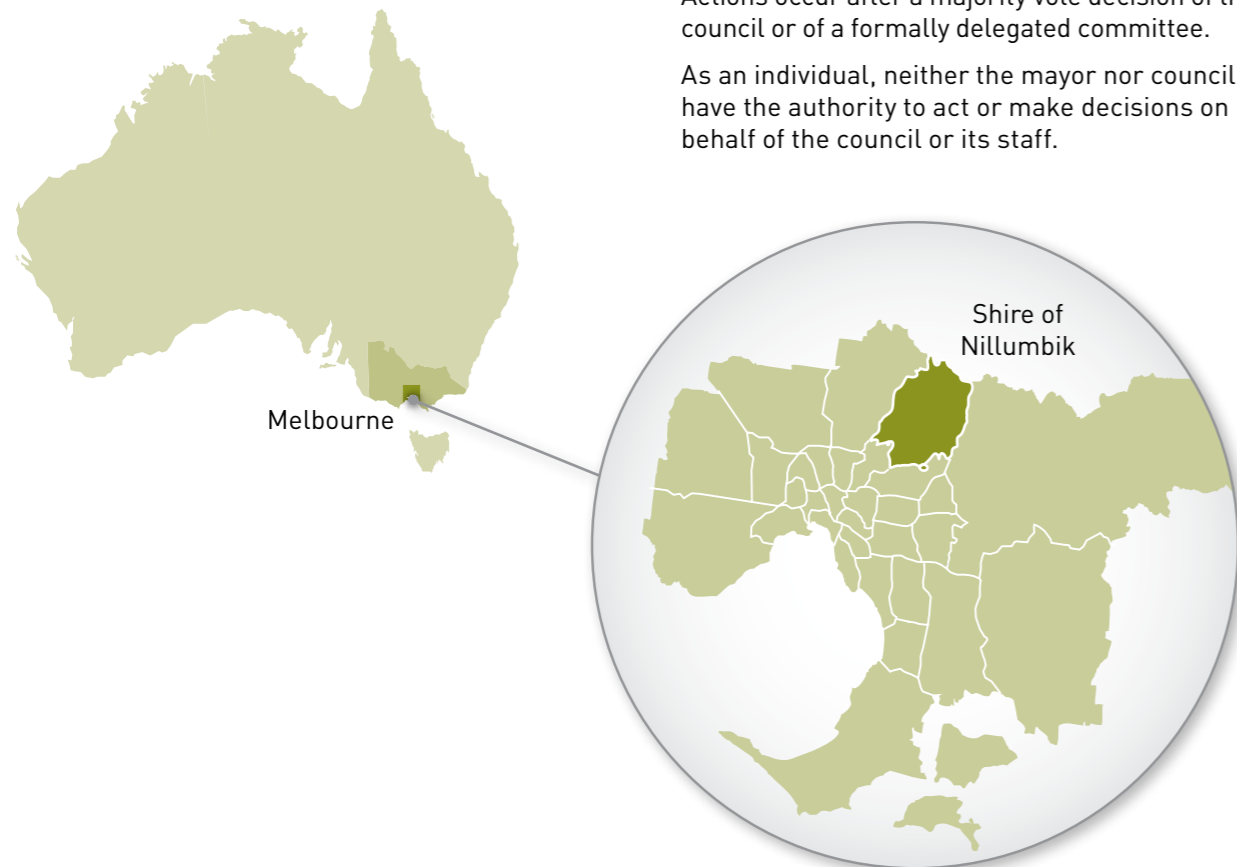
In Victoria, councillors are elected every four years to represent their communities. They receive an allowance to assist them to exercise their responsibilities and are expected to behave in accordance with the council's code of conduct.

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.



The current Nillumbik Councillors are:



Councillor Karen Egan
Mayor
Bunjil Ward
0408 058 899
karen.egan@nillumbik.vic.gov.au



Councillor Peter Perkins
Ellis Ward
0437 455 064
peter.perkins@nillumbik.vic.gov.au



Councillor Bruce Ranken
Deputy Mayor
Swipers Gully Ward
0402 384 006
bruce.ranken@nillumbik.vic.gov.au



Councillor Jane Ashton
Sugarloaf Ward
0409 177 500
jane.ashton@nillumbik.vic.gov.au



Councillor Grant Brooker
Blue Lake Ward
0427 207 819
grant.brooker@nillumbik.vic.gov.au



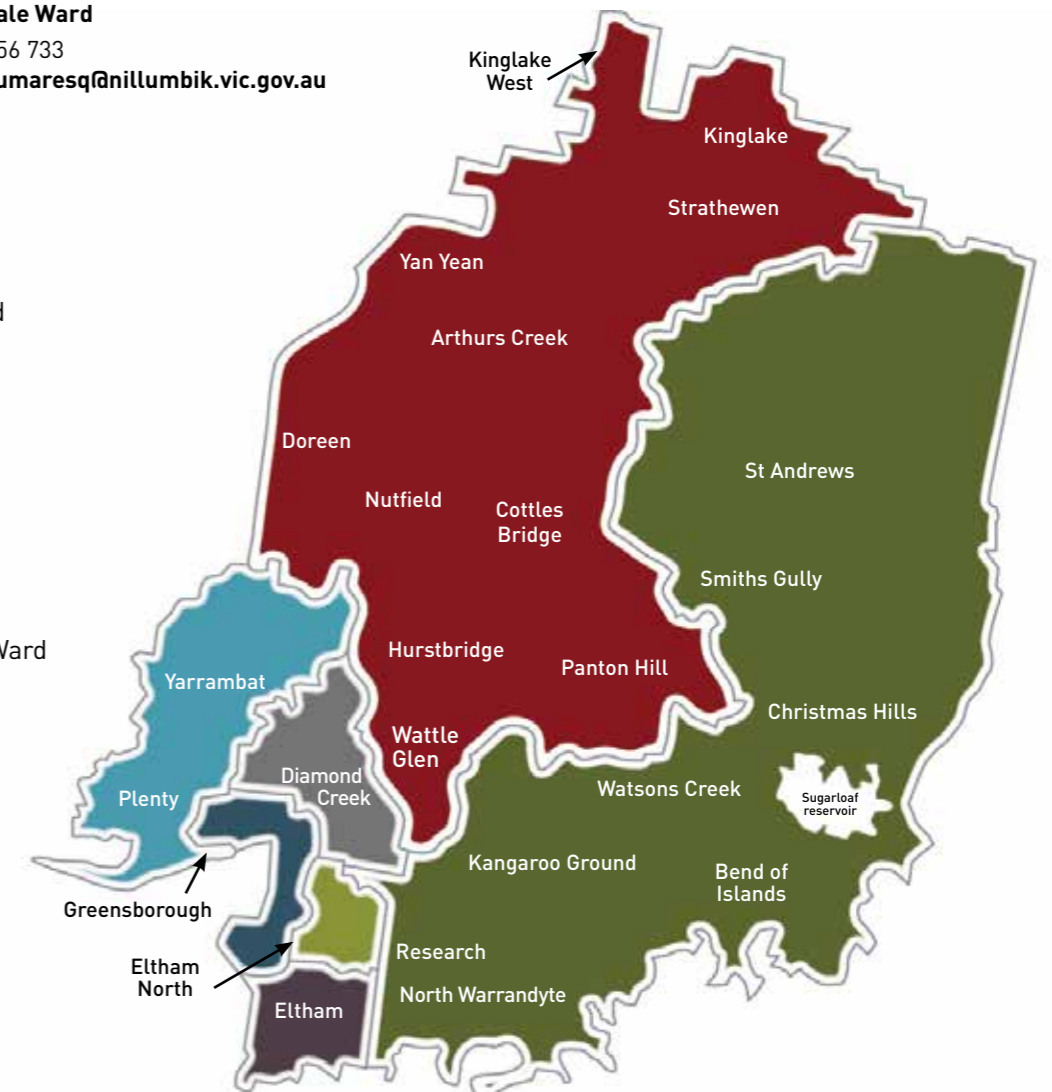
Councillor Peter Clarke
Wingrove Ward
0401 100 141
peter.clarke@nillumbik.vic.gov.au



Councillor John Dumaresq
Edendale Ward
0439 556 733
john.dumaresq@nillumbik.vic.gov.au

KEY

- Blue Lake Ward
- Bunjil Ward
- Edendale Ward
- Ellis Ward
- Sugarloaf Ward
- Swipers Gully Ward
- Wingrove Ward



Councillor profiles



Councillor
Karen Egan
Mayor
Bunjil Ward

Elected to Council 2016,
Elected Mayor 2018

Cr Egan has been a resident in Nillumbik for almost 30 years and joined Council to represent landowners in the rural parts of the shire as well as in urban areas with honesty, transparency and proper consultation prior to decision making.

As Cr Egan lives on a rural property, she is determined to resolve community concerns around adequate fire preparation and mitigation within the shire.

Cr Egan has five children, enjoys her horses, is a fine-art photographer and small business owner.



Councillor
Bruce Ranken
Deputy Mayor
Swipers Gully Ward

Chair Social Infrastructure Portfolio and member of the Audit and Risk Committee

Elected to Council 2016,
Elected Deputy Mayor 2018

Cr 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.

As Chair of the Social Infrastructure portfolio, Cr Ranken is committed to delivering community infrastructure that meets community needs, and improves the community's quality of life.

Cr Ranken's focus for the next year concerns common sense decision making, protecting neighbourhood character and amenity, and delivering infrastructure projects on time and on budget.



Councillor
Grant Brooker
Blue Lake Ward

Chair Community Services Portfolio

Elected 2016

Cr Brooker was a founding member of the Friends of Apollo Parkways and has been a resident there with his family for over 20 years.

Cr Brooker is an independent Councillor whose focus remains financial accountability, environmental sustainability and decision-making based on these two core principles.



Councillor
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. Cr Dumaresq is currently working in the construction industry.



Councillor
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 nine 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, 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.



Councillor
Jane Ashton
Sugarloaf Ward

Chair Environment and Sustainability Portfolio

Elected 2016

Living in Nillumbik for more than 25 years, Cr Ashton loves being part of a dynamic rural community, and working closely with the community to take action on climate change.

Council has achieved its goal of reducing greenhouse gas emissions by 17 per cent, and Cr Ashton is supporting Council and the community on our journey towards carbon neutrality.

Initiatives such as the Sugarloaf Link project in Christmas Hills, *Bushfire Mitigation Strategy* and community consultation around Edendale Community Environment Farm and the draft *Green Wedge Management Plan* all play an important part.

Cr Ashton would like to acknowledge everybody's contribution to preserving the social, economic and environmental values we all continue to enjoy.



Councillor
Peter Clarke
Wingrove Ward

Chair Finance and Governance Portfolio and member of the Audit and Risk Committee

Elected 2016 as a Councillor,
Mayor Nov 2016 – Oct 2018

An Eltham resident for 29 years, Cr Clarke came to Nillumbik with experience as a former Councillor at Melbourne City (2006-2012) and Heidelberg (1981-1989).

Since being elected in 2016, Cr Clarke has served as Mayor and Wingrove Ward Councillor as well as a board member and chairman of the Yarra Plenty Regional Library service.

Cr Clarke is an architect. His previous community appointments include board member of the Austin Hospital, Rotary and YMCA and chairman of VicUrban and Places Victoria.



Our performance

Council's performance for 2018-2019 has been reported against each strategic objective to demonstrate how Council is performing in delivery of the *Council Plan 2017-2021*.

Performance has been measured as follows:

- financial results against the stated budget
- sustainability initiatives (financial, environmental and social)
- progress towards achieving the strategic objectives in the Council Plan
- results achieved in relation to the strategic indicators in the Council Plan
- 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
- major projects completed or underway as part of Council's capital works program.

Council Plan 2017-2021: **Status summary**

At the mid-point of the *Council Plan 2017-2021* delivery, the status of the 53 strategic indicators and 117 priority actions within the plan is as follows:

| Strategic indicators | | Priority actions | |
|----------------------|----|------------------|----|
| Positive/Increasing | 32 | Completed** | 69 |
| Negative/Decreasing | 11 | In progress*** | 48 |
| Not applicable* | 10 | | |

* data not available (i.e. 2016 census data only or new data for 2019 only).

** includes actions which are now part of business as usual activity.

*** includes the 40 actions included in the 2019-2020 Annual Action Plan.

Financial summary

Council's financial sustainability continues to require active management year-on-year. The challenge remains to source alternate funding streams to maintain Council's infrastructure portfolio to meet the future needs of the community.

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 \$10.14 million in 2018-2019.

The positive result is driven primarily by contributions received during the year, comprising of monetary developer contributions and non-monetary contributions in the form of assets. The result is buoyed by active management of operational expenditure across Council where actual spend overall is reflective of the adopted budget.

Council has maintained a strong cash position ending the financial year with \$44.25 million.

The funds are held in short-term investments in compliance with the *Local Government Act 1989*. Of the total cash balance, \$28.18 million (or 64 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 2018-2019 and the existing loan 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 ongoing work undertaken on Council's extensive property and infrastructure portfolio, totalling \$941 million. The ongoing work has seen Council maintain, improve and expand facilities for the community.

This healthy financial position is further evidenced 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.

The overall financial outlook of Council for 2018-2019 has shown a positive result and places Council in a strong position to continue operating in a financially sustainable manner.

| | 2018-2019 \$'000 | 2017-2018 \$'000 | 2016-2017 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
|------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Surplus | 10,138 | 16,552 | 15,922 | 4,693 | 15,025 |
| Cash | 44,254 | 46,670 | 37,910 | 33,220 | 30,510 |
| Debt | 12,092 | 12,736 | 13,460 | 14,303 | 15,103 |
| Net Assets | 968,397 | 951,596 | 776,063 | 760,141 | 666,983 |
| Liquidity | 2.74 | 3.37 | 3.53 | 3.51 | 2.66 |

Financial sustainability

In 2018-2019, Council continued to honour its commitment to keep rates low.

In 2017-2018, there was no rate rise. In 2018-2019, Council was 0.30 per cent below the rate cap.

In the 2019-2020 budget, a rate rise of only 2.25 per cent was adopted, 0.25 per cent less than the official rate cap set by the Victorian Government.

The approach to financial sustainability is further reflected by no impact to service delivery while Council continues to explore internal efficiencies and enhance effectiveness through collaborative initiatives.

The extensive property and infrastructure portfolio Council oversees requires a strong financial focus year-on-year.

The continued progress on the capital works program, without taking out borrowings, demonstrates Council's commitment to deliver and maintain this portfolio to service community needs.

Where do your rates go?

The chart below provides an indication of how Council allocates its expenditure across the main services to be delivered. It shows how much is allocated to each service area for every \$100.00 of rates that Council collects.





Sustainability initiatives

Environmental sustainability

Council's carbon neutrality initiatives

Community Bank Stadium

Roof top solar panels, battery storage and an electric vehicle charging station were successfully commissioned at the Community Bank Stadium in Diamond Creek. The facility now has a 99.9kW solar array combined with batteries capable of storing 100kWh and Nillumbik's first public electric vehicle charging station. This project was funded by the Victorian Government's New Energy Jobs Fund.

The solar system is anticipated to generate about 146,000 kWh per year (146 MWh/yr) toward electricity requirements and supplying up to 75 per cent of the stadium's peak demand. The batteries alone are anticipated to contribute 23,900 kWh per year (23.9 MWh/yr).

Overall reduction in grid demand will be about 49 per cent, with electricity bill cost savings calculated to be more than \$600,000 over the life of the system.

The stadium is also an Emergency Relief Centre and in the event of an emergency, the electrical system will continue operating in the event of grid failure. This unique islanding capacity is generating much interest among other councils and businesses across the region.

Feasibility study for large scale rooftop solar at Eltham Leisure Centre

A feasibility study has been completed for a rooftop solar system on Eltham Leisure Centre, the Council's largest community recreation facility.

Large scale solar farm

Council has continued to investigate a large scale solar farm on council owned sites to replace the purchase of offsets for carbon neutrality. This includes investigating options to partner with community, business and other organisations.

Supporting carbon neutrality in the community

Sporting club solar contributions

Council has developed a funding model to contribute seed funding to sporting clubs looking to invest in rooftop solar on their facilities.

Twenty businesses have undergone energy efficiency training through a Council initiative which received funding from the State Government. The training program included workshops, presentations and assessments in restaurants and cafés in Nillumbik. The project led to the development of an energy and money savings calculator tool for business owners and managers in the hospitality industry.

Biodiversity initiatives

Rivers to Ranges

Rivers to Ranges is a four-year, \$572,385 project funded by the Department of Environment, Land, Water and Planning (DELWP) through Peri-urban Weed Management Partnerships.

The project works to reduce the threat of environmental weeds to biodiversity on public land and improve habitat corridor function at a landscape scale between the Yarra River corridor and Kinglake Ranges. This includes strong engagement with private landholders, Landcare and other programs to encourage and support complementary weed control and biodiversity protection.

Led by Council, this project is a regional collaboration including DELWP, other councils (Whittlesea and Manningham), Parks Victoria, Melbourne Water and Trust for Nature.

The project has controlled woody, herbaceous and grassy weeds in Plenty Gorge Park, Kinglake National Park, Warrandyte-Kinglake Nature Reserve (One Tree Hill and Rifle Range), and Panton Hill's Boomers Reserve and Bunjil Reserve.

In addition to the core funding, this collaboration has leveraged significant additional funding and resources for the protection of biodiversity across the shire. Now in its final year, the key focus is to ensure funding continues beyond the life of the project and our efforts to protect significant biodiversity are maintained.

Conservation futures – threat reduction

This biodiversity protection and enhancement project received funding of \$125,000 from DELWP and is led by Council, with partners including the Nillumbik Landcare Network, Trust for Nature and Parks Victoria.

The focus is on-ground works to assist in the conservation of nine key threatened species in Nillumbik and surrounding areas. These species include the Brush-tailed Phascogale, Slender-tailed Dunnart, Eltham Copper Butterfly, Round-leaf Pomaderris, Matted Flax-lily, Clover Glycine, Rosella Spider Orchid, Charming Spider Orchid and Wine-lipped Spider Orchid.

The project provides funding to public land managers, Landcare groups and land owners to achieve 1,450 hectares of fox control, 370 hectares of weed control, fencing important vegetation and enhancement plantings.

Supporting land management

Council provides grants to private land owners and community groups for land management activities, including erosion control, biodiversity fencing, rabbit control, weed control, revegetation and other land protection projects.

In addition, Council provides sustainable agriculture rebates to promote sustainable agricultural practices, as well as to private land owners with Trust for Nature covenants on their property.

The table on the bottom of the opposite page shows the type of incentive and the number provided for the past three years.



Blossoms in bloom, Bend of Islands

Case study

Sugarloaf Link Project – protecting vulnerable species and community safety

The shire of Nillumbik is fortunate to be home to a diverse mix of fauna and flora. The protection of native vegetation whilst keeping the community safe is paramount.

With the knowledge that feral deer are destroying wildlife and vegetation in the shire and also posing a serious risk for motorists, Council is partnering with two local Landcare groups, Parks Victoria, Melbourne Water and the Wurundjeri Council on a three-year project called Sugarloaf Link.

Funded by the State Government, this project will protect and enhance habitat for threatened plants and animals, by complementing existing Council and public agency programs in reducing the number of deer, foxes and weeds on private and public land.

Fox control works will be undertaken in the 2019 spring-summer period, while woody and herbaceous weed control and deer hunting will occur throughout 2019-2020.

Council invited landowners in the Christmas Hills, Watsons Creek and Bend of Islands area to be part of this project and 24 per cent of landholders signed up, with 70 properties registered for deer control, 70 properties for fox control and 39 properties for weed control.

The majority of residents support the plan having witnessed the damage to native vegetation, gardens and agriculture, vineyards and orchards, as well as a number of vehicle collisions.



One of Council's 'Green' Hyundai Ioniq Hybrid fleet vehicle

Case study

Leading the way with green cars – good for us, good for the environment

In 2018-2019, Council signed up to participate in a 12-month pilot program with Hyundai Australia as part of a wider Low Emissions Fleet Assessment Project. As a result, Council now has three Hyundai Ioniq Hybrid vehicles in our current fleet.

These efficient modes of transport are powered by a combination of unleaded fuel and an on-board battery pack that charges itself

when coasting down hills or braking. Early fuel consumption reports show a fuel economy of about 4.5 litres per 100km, which is an economical and environmental saving.

In preparation for plug-in and pure electric vehicles being included in Council's fleet going forward, electric vehicle charging facilities have been installed at Council's Civic Drive Office.

| Incentive | Measure | 2016-2017 | 2017-2018 | 2018-2019 |
|--|--|-----------|-----------|-----------|
| Land Management Incentive Program grants | Number of grants to individuals or community groups | 67 | 61 | 30 |
| | Value of grants | \$99,162 | \$92,748 | \$96,667 |
| Sustainable Agriculture Rebate | Number of agricultural businesses receiving the rebate | 48 | 48 | 46 |
| | Value of rebate | \$47,167 | \$47,167 | \$40,277 |
| Trust for Nature Covenant Rebate | Number of properties receiving the rebate | 54 | 54 | 53 |
| | Value of rebate | \$16,405 | \$16,405 | \$15,936 |



The L2P Program team enjoying great success with more than 80 dedicated volunteers sharing their time

Social sustainability

Volunteering is at the heart of community building. It provides opportunities for active citizenship in which any member of our community can make a meaningful difference, connect with others, and develop their own skills and talents.

Additionally, research suggests that volunteers themselves experience better health outcomes and that higher levels of volunteering equate to higher resilience within a community. The opportunities for volunteering in Nillumbik are diverse, and include:

- contributing to community safety through the Country Fire Authority, State Emergency Services or local fireguard group
- caring for our natural spaces with Landcare or Friends of Reserves groups
- supporting social services by mentoring learner drivers through the L2P Learner Driver Program, driving older Nillumbik residents to appointments or serving a Community Meal
- participating in our thriving arts community through a theatre group, Living & Learning Nillumbik Centres, or Montsalvat
- getting involved in community initiatives through groups such as Rotary, Lions, Men's Shed, Big Group Hug or Welcome to Eltham.

The shire of Nillumbik has traditionally had, and continues to have, high volunteer and civic participation rates.

The 2016 Census showed that 24 per cent of Nillumbik residents volunteered in the previous 12 months compared to 19.2 per cent for Victoria and 19 per cent nationally.

Nillumbik also rates relatively high in community indicators in the areas of community connectedness and general health.

Each year, through the thousands of hours volunteers contribute to the Nillumbik community, we know that social connectedness is enhanced and quality of life outcomes are improved.

Case study

Female participation in sport

Council is kicking goals for female-friendly sports facilities in the shire with the construction of two pavilion upgrades totalling \$550,000.

The \$275,000 Eltham Lower Park Pavilion redevelopment includes refurbishing four change rooms to become female-friendly and a unisex referee change room.

The \$275,000 Susan Street Reserve Pavilion redevelopment in Eltham includes the redevelopment of existing change rooms to create female-friendly change rooms and ambulant access, as well as reconfiguring the referee change room to include female-friendly cubicles and toilets.

Construction works are being undertaken on the new \$2.3 million pavilion at Marngrook Oval in Diamond Creek. The new pavilion is forecast to open in late 2019 and will include four interconnected change rooms, accessible and umpire facilities.

A new soccer and cricket pavilion has also opened in Wattle Glen ready for the upcoming soccer and cricket seasons. The \$800,000 redevelopment includes two female change rooms, an umpires change room and ramps throughout the facility to make it accessible to all.

As a result, the Eltham Eagles Soccer Club, Nillumbik Junior Soccer Club and North Eltham Wanderers Cricket Club have a permanent home and can expand their women and girls teams.

Council is also investing in sports facilities at:

Diamond Creek Netball Pavilion
\$3.1 million



Diamond Valley Sport and Fitness Centre
\$6.5 million



Eltham Central Pavilion
\$3.6 million



Eltham North Pavilion
\$4.6 million



Eltham Tennis Courts and Lighting
\$180,000



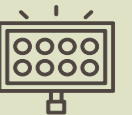
Greensborough Hockey pavilion
\$2 million



Research Park Pavilion
\$3 million




Yarrambat Oval floodlights
\$230,000



Annual Community Survey


The Annual Community Survey, which was conducted on Council's behalf by Metropolis Research in January 2019, is designed to measure community satisfaction with a range of Council services and facilities and to measure community sentiment on a range of additional issues and concerns in the community.

The key findings of the 2019 survey included:

 **Satisfaction with Council's overall performance increased compared to the 2018 survey.**

This score is categorised as 'good', and is very similar to both the corresponding metropolitan Melbourne and the northern region council's averages.

Respondents in **Diamond Creek, the rural precinct and Eltham North** are more satisfied than the municipal average, with satisfaction in the rural area increasing by 11.9 per cent.

 **13.4%** of respondents consider that Council's overall performance had improved in the last 12 months.

This is up slightly on the 12.5 per cent recorded in the 2018 survey. This is the best result ever recorded for this measure.

Respondents from **Eltham** are somewhat more dissatisfied with Council's overall performance than the municipal average, recording an 8 per cent decrease in satisfaction

 **Satisfaction with responsiveness to:**

- local community needs
- representation
- lobbying and advocacy
- community consultation and engagement

all recorded higher results than the metropolitan Melbourne average.

Satisfaction with Council's overall performance in customer service increased marginally (by 2.3 per cent).

Of particular note, courtesy and friendliness and choice of method to access services were rated as 'excellent', and access to relevant officer/area and provision of accurate information rated as 'very good'.

Satisfaction with planning outcomes, such as quality and appearance of newly constructed developments, design of public spaces and protection of local heritage, all increased.

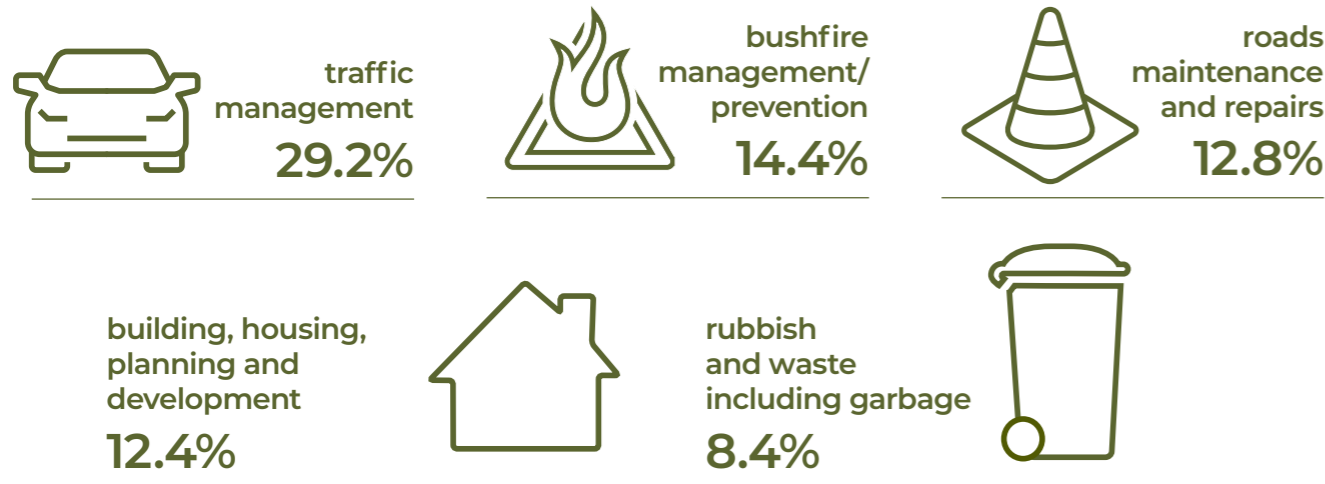
The survey requested respondents to rate the importance of 33 selected services and facilities. Fortnightly recycling collection (9.45 out of 10); fortnightly garbage collection (9.35); weekly green waste collection (9.23); fire prevention works (9.07); services for seniors (8.92); local library (8.91); services for children aged 0 to 5 (8.87); hard rubbish collection (8.86) and drains maintenance and repairs (8.85) all rated 'higher than average importance'.

The average satisfaction with the same 33 Council services and facilities increased by 1.1 per cent in this survey to a rating of 7.39 out of 10.

The survey results are accessible in full on Council's website. Many of the measures in the survey are strategic indicators in the *Council Plan 2017-2021* and are reported in the 'Our performance' section of this report.

Some of the measures in the survey are performance measures required by the State Government and are made public on the 'Know Your Council' website: knowyourcouncil.vic.gov.au/home.

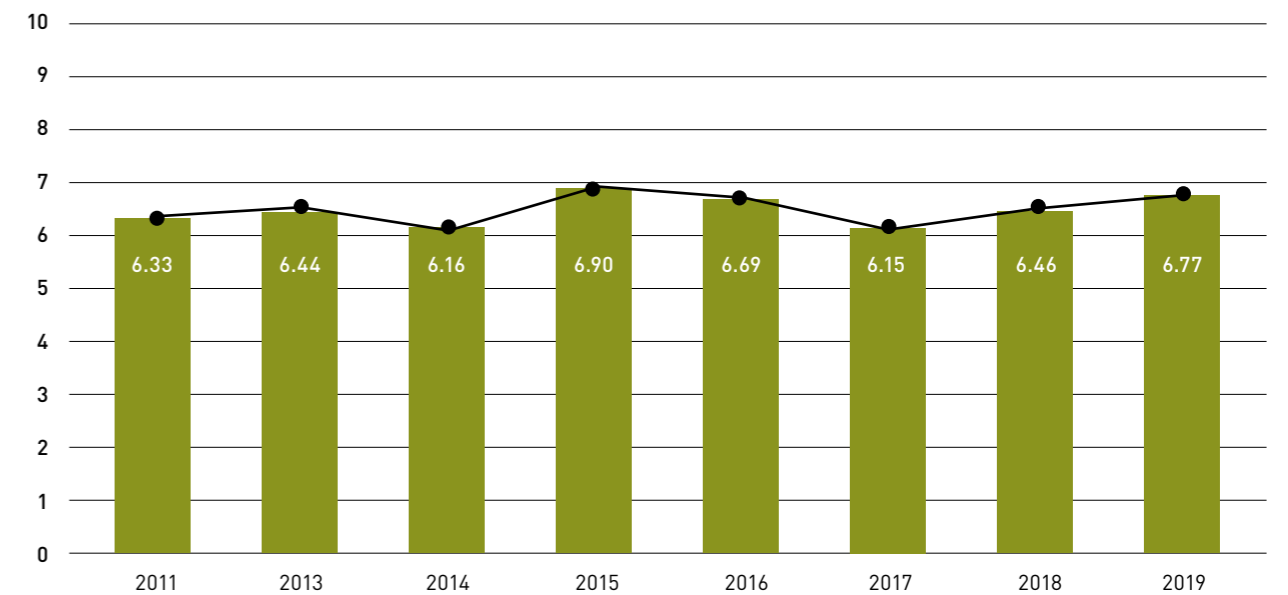
The top five issues for Council to address, as identified by respondents, are:



Satisfaction with Council's overall performance

Nillumbik Shire Council – 2019 Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)



Communications and engagement

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 23,000 homes, businesses and community venues across the shire.

Nillumbik News 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 2019 Annual Community Survey, more than half of respondents (55.1 per cent) reported that their household regularly received and read *Nillumbik News*.

Nillumbik News contains information about how the community can get involved in projects that are open for consultation and includes a variety of feature articles to keep the community up-to-date on major projects, council advocacy and issues affecting the shire. Information about the environment, service delivery, 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 local community publications including *Warrandyte Diary*, *Whittlesea Town Crier* and *Hurstbridge Roundabout*. Proactive information is provided to the local newspapers with 100 media releases issued last year.

Digital

Council's website and subsites for Edendale Community Environment Farm, Youth Services, Hurstbridge Farmers Market and Living & Learning Nillumbik attracted 308,839 users in 2018-2019, with 1,334,692 pages viewed.

Residents are engaged and informed about Council decisions and activities via the online 'Have Your Say' page on Council's website.

A number of hard-copy and electronic newsletters are also distributed by Council, on topics and issues including:

- arts
- leisure
- family and children services
- Edendale Community Environment Farm
- environment.

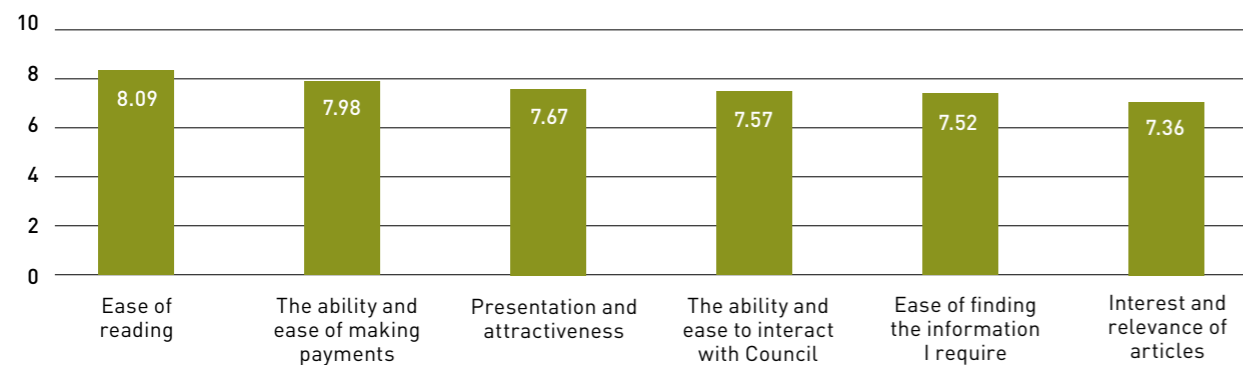
71 e-newsletters were issued in 2018-2019.

Council increased its presence in the social media sphere in 2018-2019 with a 26 per cent increase in Facebook 'likes' (from 5,031 to 6,341).

Satisfaction with selected aspects of Council website

Nillumbik Shire Council – 2019 Annual Community Survey


Scale from 0 (very dissatisfied) to 10 (very satisfied)



Participate Nillumbik

Share your ideas and feedback on projects that matter to you and your community

[Learn more about Participate](#)



The 'Participate Nillumbik' portal is an invaluable community engagement tool

Case study

Participate Nillumbik – listening to our community voices

Community consultation is a key step in the planning process for many projects happening throughout the shire. Council values and wants to hear from community members who have ideas about projects that will help shape this very special and unique part of Australia.

To provide an opportunity for an increased number of residents to have their say, Council's community engagement portal, 'Participate Nillumbik', was revamped in early 2019 to make it easier for community members to join the conversation about these important projects.

The community can help inform Council's decision-making by sharing their ideas or feedback in a variety of areas such as arts and culture, the environment, health and wellbeing, planning, positive ageing and much more.

Since the launch of the new portal in February 2019 there have been more than 3,000 unique visitors making more than 5,040 visits to the site with 798 contributions made to 14 projects.

Check the new portal out at participate.nillumbik.vic.gov.au

Council's Twitter followers increased as well from 2,032 to 2,466; an increase of 434 (21 per cent).

Video played a major role in communicating to our community in 2018-2019 with over 40,900 minutes of videos viewed. Top video's included the flag raising ceremony for National Reconciliation Week, the splash pool opening at Eltham Leisure Centre, the 2019 Nillumbik young business achiever nominee and Eltham North Adventure Playground.

Community Engagement

Council is committed to engaging with our community to ensure that everyone has the opportunity to have input into matters and decisions which affect them.

Some of the many ways Council engages with the community are:

- by inviting the public to share their ideas and feedback on major projects and strategies via the Participate Nillumbik site, face-to-face consultations and submissions to Council

- by hearing submissions at Council and 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 and through project-specific Community Reference groups
- through our Annual Community Survey which involves 500 face-to-face interviews
- via social media such as Facebook and Twitter.

Key community engagement initiatives in 2018-2019 included the review and updating of Council's Community Engagement Policy, and the development of new Community Engagement Guidelines and Templates for use by staff.

Capability was also enhanced with 10 staff members completing IAP2 Community Engagement Essentials training.

Dedicated community engagement support for our major projects in 2018-2019 included:

| Project | Description |
|---|--|
| Green Wedge Management Plan Review | <p>An extensive community engagement program in mid-2018 provided many opportunities for the community to share their thoughts and experiences about the Green Wedge. More than 1,000 contributions were received, both online and in person, from a broad range of community members.</p> <p>In the next stage of the project, a Community Panel made up of 40 randomly selected community members was recruited and convened for six days between August and November 2018 to explore the many issues impacting the management of the Green Wedge.</p> |
| Bushfire Mitigation Strategy | <p>In August and September 2018, the community were invited to provide comment on a draft <i>Bushfire Mitigation Strategy</i>.</p> <p>Following this feedback, Council engaged the services of former Emergency Management Commissioner for Victoria, Craig Lapsley, to undertake a wide-ranging review of our emergency management function, including our <i>Bushfire Mitigation Strategy</i>.</p> <p>Based on community input and the <i>Emergency Management Future Directions report</i> prepared by Mr Lapsley, a revised draft strategy was developed. In May 2019, members of the community were asked to give their feedback on the revised draft strategy. This feedback fed into the development of the final plan which was endorsed by Council in July 2019.</p> |
| Eltham and Diamond Creek Activity Centre Reviews | <p>Over a period of six months, the community was asked to provide their thoughts and ideas to assist in the review of the Diamond Creek and Eltham Activity Centre structure plans. 333 people completed online and hardcopy surveys.</p> <p>More than 200 additional opinions, thoughts and ideas were gathered via other engagement activities including six pop-up consultations, an online survey and mapping tool through Participate Nillumbik as well as voting pods, chat boards and big idea drawings.</p> <p>All the feedback received will inform the draft structure plans which are due for completion in 2019-2020.</p> |
| Disability Action Plan | <p>Throughout the second half of 2018, Council's Community Inclusion team consulted with people with disability, carers, local disability support providers and the Nillumbik community about how Council can make Nillumbik more inclusive.</p> <p>In a second stage of consultation, from February to July 2019, the community was asked to share their ideas and experiences on the key themes that people identified as being important to them. 389 contributions were made through a suite of short surveys on Council's Participate Nillumbik website. Further feedback was received through a series of coffee and chat sessions.</p> <p>All the community's feedback will inform the draft <i>Disability Action Plan</i> which is due to be completed by the end of 2019.</p> |

| Project | Description |
|---|---|
| Domestic Wastewater Management Plan | <p>A targeted community engagement program was undertaken to help inform the development of the <i>Domestic Wastewater Management Plan</i>.</p> <p>The engagement provided valuable insight into the community's understanding and perspective on domestic wastewater management issues.</p> <p>The first engagement phase consisted of four informal Community Sewerage and Septics 'Drop-in' Information Sessions held across the shire in early December 2018. An online and hard copy survey was used to capture residents' feedback and provide specific data.</p> <p>The second phase of the engagement consisted of a Wastewater Workshop conducted in February 2019 for Nillumbik's plumbers and maintenance providers.</p> <p>All feedback received informed the development of the draft <i>Domestic Wastewater Management Plan</i>, which was released for community feedback in April 2019.</p> |
| Regional Art Gallery Feasibility Study | <p>Council appointed an external consultant to undertake wide-ranging community engagement to inform the Nillumbik Regional Gallery Feasibility Report. This included engagement with community members, artists, arts and community organisations, schools, libraries, business and tourism associations, local businesses, relevant galleries and museums and neighbouring local government authorities.</p> <p>In addition to input received through online and hardcopy surveys, two community summits were held, attended by approximately 60 participants.</p> |
| Planning Services Review | <p>To ensure it continues to improve quality and meet the needs of its customers now and in the future, the Planning Services Department conducted a review of its services in early 2019.</p> <p>The community was asked to share their experiences of using the statutory planning service, with 111 contributions received over a four-week period.</p> <p>This feedback will be used to inform recommendations for service improvements.</p> |

2018-2019 Annual Action Plan: Status summary

In 2018-2019, Council progressed delivery of 51 priority actions from the *Council Plan 2017-2021* as part of its *2018-2019 Annual Action Plan*. Of these, 41 were completed, five experienced minor issues impacting delivery, and five were re-scoped for delivery in 2019-2020.

At the mid-point of delivery of the Council Plan, 69 actions have been completed, with the remaining 48 actions in progress. This includes 40 actions which form of the *2019-2020 Annual Action Plan*. The actions below also cover the major budget initiatives for Council in 2018-2019, as outlined in the 2018-2019 budget (marked as *).

| Engaged, connected communities | | | |
|--|---|--|--------|
| Action | Progress Update | Outcome | Status |
| Commence 2050 Shire Plan (building on the review of the <i>Green Wedge Management Plan</i> (GWMP) and development of other key strategies)* | This item was re-scoped following advice from the recent State Government announcement on reforms to the <i>Local Government Act 1989</i> , which would legislate a similar product to what is envisaged in this action. Among the reforms now outlined is the requirement for councils to develop a Community Vision and undertake long-term community planning concurrent with the development of a new Council Plan (due in early 2021). | Improved community trust through better communications and genuine engagement. | |
| Develop a Brand Style Guide supported by an implementation and training plan* | The Nillumbik brand refresh has been developed and was endorsed at the May 2019 Council Meeting. The brand refresh will rationalise Council's communications and promotional material to ensure consistent messaging. | | |
| Scope a Lifelong Learning Plan with key stakeholders* | The delivery of the program schedule at Living & Learning Nillumbik has continued, however the scoping of a <i>Lifelong Learning Plan</i> with key stakeholders has been on hold and will be undertaken in the second half of 2019 upon commencement of the new Vocational Education and Training (VET) Program Coordinator. | Ongoing commitment to lifelong learning for the community. | |
| Identify our women's networks and scope communication opportunities for them to partner* | The Nillumbik Women's Network has been re-established by the community, and Council will continue to support. This year, Council has provided support to the network in the form of identification of grant opportunities, promotional opportunities and the availability of a meeting space. | Strengthened focus on social inclusion, building social capital and connection within communities. | |
| Further embed community engagement into projects | Project managers worked closely with the Council's Communications team to seek advice and support in embedding community engagement in key Council projects including: <ul style="list-style-type: none"> Green Wedge Management Plan Review Bushfire Mitigation Strategy Diamond Creek Regional Playspace Fireworks Local Law Regional Gallery Feasibility Study Public Art Policy Art Collection Policy. | Improved community trust through better communications and genuine engagement. | |

Re-scoped for 2019-2020 Minor issues Complete

| Engaged, connected communities | | | |
|---|--|---|--------|
| Action | Progress Update | Outcome | Status |
| Progress the development of an integrated community infrastructure plan * | A community infrastructure register has been developed, which details all Council and non-Council owned facilities available for wider community use. Development of the register and plan will ensure that community infrastructure is provided in response to community needs. | Provision of community infrastructure in response to community needs. | |
| Develop digital solutions to support social and community infrastructure, including a Smart Cities approach | The Northern Melbourne Smart Cities Network Project has progressed to the tender stage, which was released to the public in June 2019. The tender is for the design and implementation of the Smart Cities Network. The tender evaluation is scheduled in the second half of 2019. | | |
| Continue to build relationships with the Wurundjeri community and engage and develop a Reconciliation Action Plan | Council continues to build relationships with the Wurundjeri community. Recent discussions with the Wurundjeri community have advised that they do not support the development of a Reconciliation Plan. In the absence of developing such a plan, Council will continue to work with the Nillumbik Reconciliation Group and the Wurundjeri Tribe Council to develop commitments and practices towards reconciliation through the implementation of the <i>Nillumbik Health and Wellbeing Plan</i> . | Strengthened focus on social inclusion, building social capital and connection within communities. | |
| Implement the adopted Health and Wellbeing Plan and deliver initiatives in partnership with the community | Council continues to implement key actions of the Nillumbik Health and Wellbeing Plan, which strengthens the focus on social inclusion, building social capital and connection within communities, and enhances community health and wellbeing. Key deliverables in 2018-2019 included: <ul style="list-style-type: none"> Home Harvest Festival Disability Action Plan 16 Days of Activism against Gender-Based Violence Program Council's Gender Equity Policy Statement 'Tea, Talk and Tech' – a paid employment program for youth to teach older people to use technology and stay connected Council's 'This Girl Can' campaign, a VicHealth initiative championing women to take fitness into their own hands Ageing Well in Nillumbik Action Plan 2019-2022 Eltham North Adventure Playground re-development, including community engagement into the new playground. | Policies, strategies and partnerships in place which enhance the health and wellbeing of the community. | |

Re-scoped for 2019-2020 Minor issues Complete

2018-2019 Annual Action Plan: Status summary

| Active and creative people | | | |
|--|---|---|--------|
| Action | Progress Update | Outcome | Status |
| Commence review of the Open Space and Recreational Strategy* | Delivery of actions under the existing strategy is continuing, with a review of the existing strategy yet to commence. | Provision of infrastructure that encourages people of all ages to participate in a variety of active and passive opportunities. | |
| Develop and implement an integrated strategy for managing open space, roadsides, waterways and parkland* | Contracts were implemented for landscape maintenance, landscape renewal and sportsground maintenance. Landscape uplift projects completed include the Civic Centre surrounds and Civic Drive playspace in Greensborough; Diamond Creek Road; Station Street in Diamond Creek; Eltham Lower Park, and various roundabouts in Eltham, Panton Hill and Hurstbridge. These projects have improved the appearance of public open spaces, improved the quality of sportsground playing surfaces and improved responsiveness to community and sports club requests for service. | Places and spaces in the community that have good connectivity and amenity, provide needed infrastructure and promote social interaction. | |
| Complete planning of Hurstbridge Open Space Precinct* | The <i>Hurstbridge Open Space Precinct Plan</i> was adopted by Council in December 2018, following extensive community consultation. Implementation of the plan does not have a current budget allocation, with significant external funding needed for the plan to be realised. Council continues to advocate for this. | Provision of infrastructure that encourages people of all ages to participate in a variety of active and passive opportunities. | |
| Prepare a program of infrastructure priorities , identify and advocate for funding partnerships | Council is advocating with government to secure funding partnerships for projects including the Diamond Creek Trail. Priorities are currently being compiled to inform applications to the next round of the State Government's Growing Suburbs Fund. | | |
| Continue to advocate and lobby funding for broader trails network and progress the Diamond Creek Trail project* | Regarding the Diamond Creek Trail, a land acquisition process is being finalised with property owners and Council has now taken ownership of the land. Conditions imposed onto Council as a result of owning that land for recreational purposes are being worked through to enable construction. Works completed in 2018-2019 included: <ul style="list-style-type: none"> sealing the final section of the Eltham Copper Butterfly trail widening sections of the existing Diamond Creek Trail out to 3 metres to improve user experience and safety. Council submitted funding applications through the Growing Suburbs Fund and Building Better Regions, however they were unsuccessful. The pre-election commitment from Labour MP Kate Thwaites for \$4 million towards the project was also not available due to the outcome of the Federal election. | | |

Re-scoped for 2019-2020 Minor issues Complete

| Active and creative people | | | |
|---|--|---|--------|
| Action | Progress Update | Outcome | Status |
| Investigate the potential uses for the former Council landfill sites at Plenty and Kangaroo Ground* | Council has initiated a feasibility study to construct a solar farm on the former landfill sites at Kangaroo Ground and Plenty. No budget has been allocated for the design and construction of the solar farm, and advocacy for funding with other levels of Government continues. | Provision of infrastructure that encourages people of all ages to participate in a variety of active and passive opportunities. | |
| Undertake feasibility for the development of a public art gallery of regional significance* | The feasibility study for a regional art gallery is complete, and the study is now open for community feedback via the Participate Nillumbik website, with community comments to be formally reported back to Council in 2019-2020. | Places and spaces that have good connectivity and amenity, provide needed infrastructure and promote social interaction. | |
| Review Council's community grants programs in order to achieve equity in the distribution of public monies | A new grants software program has been purchased and activated to assist with the recording of grants being issued. The capture of this data will enable visibility across monies issued and further enable clear definition of why the grant is being offered. | | |
| Review the Artist in Residence Program* | A review of Council's artist residency program has been undertaken and options presented for the continuance of this service. A priority action was to continue negotiations for the reinstatement of Laughing Waters in Eltham. These negotiations have been extensive and are ongoing. | | |
| Review the Art Acquisition Policy* | The Art Collection Policy review is complete. Community feedback has been sought via the Participate Nillumbik website, and will be formally reported to Council in 2019-2020. | | |
| Develop a centralised program of events and festivals* | An audit of Council-supported festivals and events funding is complete and a centralised program for funding of festivals and events has been presented. | | |
| Implement the adopted Arts and Culture Plan | Implementation of the first full year of the <i>Arts and Cultural Plan 2018-2022</i> has seen more than 153,000 active participants across a wide spectrum of creative and cultural programs, activities and events who have reported high measurable cultural outcomes of stimulating creativity, supporting the creative industries and community connectedness. | | |
| Recognise performing arts through reviewing public performance spaces | Performing arts have been recognised through a dedicated performing arts grants stream, with strong uptake from community, and more than 13,600 participants. | | |

Re-scoped for 2019-2020 Minor issues Complete

2018-2019 Annual Action Plan: Status summary

| Safe and healthy environments | | | |
|--|--|--|--------|
| Action | Progress Update | Outcome | Status |
| Progress the review of the Green Wedge Management Plan (GWMP)* | The draft <i>Green Wedge Management Plan 2019</i> (GWMP) was formally endorsed for public consultation at the June 2019 Council Meeting. Community consultation on the draft GWMP commenced on 1 July 2019 and ran for six weeks, with Council to hear submissions at the September 2019 Future Nillumbik Committee Meeting. It is envisaged that the GWMP will be finalised for Council's consideration and adoption at the November 2019 Council Meeting, allowing for feedback on the draft <i>Bushfire Mitigation Strategy</i> to be received prior to finalising the draft GWMP. | Improved, collaborative and holistic strategic planning. | ✓ |
| Develop a Housing Strategy , which includes options for retirement living and intentional housing outcomes* | An expanded project scope for delivery of the strategy (including revised timeframes) was endorsed by Council for adoption in the third quarter of 2019-2020. This expanded scope includes preparing a discussion paper for community consultation on the topics of housing needs, planning provisions, potential housing sites and a review of the neighbourhood character guidelines. Drafting of the discussion paper is well underway with community engagement expected to commence in October 2019. This will inform the preparation of a draft <i>Housing Strategy</i> , which will be subject to further community consultation prior to its adoption. | Enhanced community health and wellbeing. | 🔍 |
| Implement bushfire mitigation, awareness and resilience actions from the Bushfire Mitigation Strategy | The final <i>Bushfire Mitigation Strategy 2019-2023</i> was adopted at the July 2019 Council Meeting. Implementation of actions from the strategy will commence in 2019-2020. | Council's responsibilities and community expectations for emergency management are met. Increased community resilience to, and awareness of, vulnerability to natural hazards and threats. | ✓ |
| Update all emergency management plans and continue to facilitate emergency management planning | Review of the <i>Municipal Emergency Management Plan</i> is underway in line with legislative requirements and is on track to be adopted within the timeframe set by the State Emergency Service. The <i>Municipal Fire Management Plan</i> is also under review and is on track to be adopted by the end of November 2019. | Council's responsibilities and community expectations for emergency management are met. | ✓ |

Re-scoped for 2019-2020 🔍 Minor issues ! Complete ✓

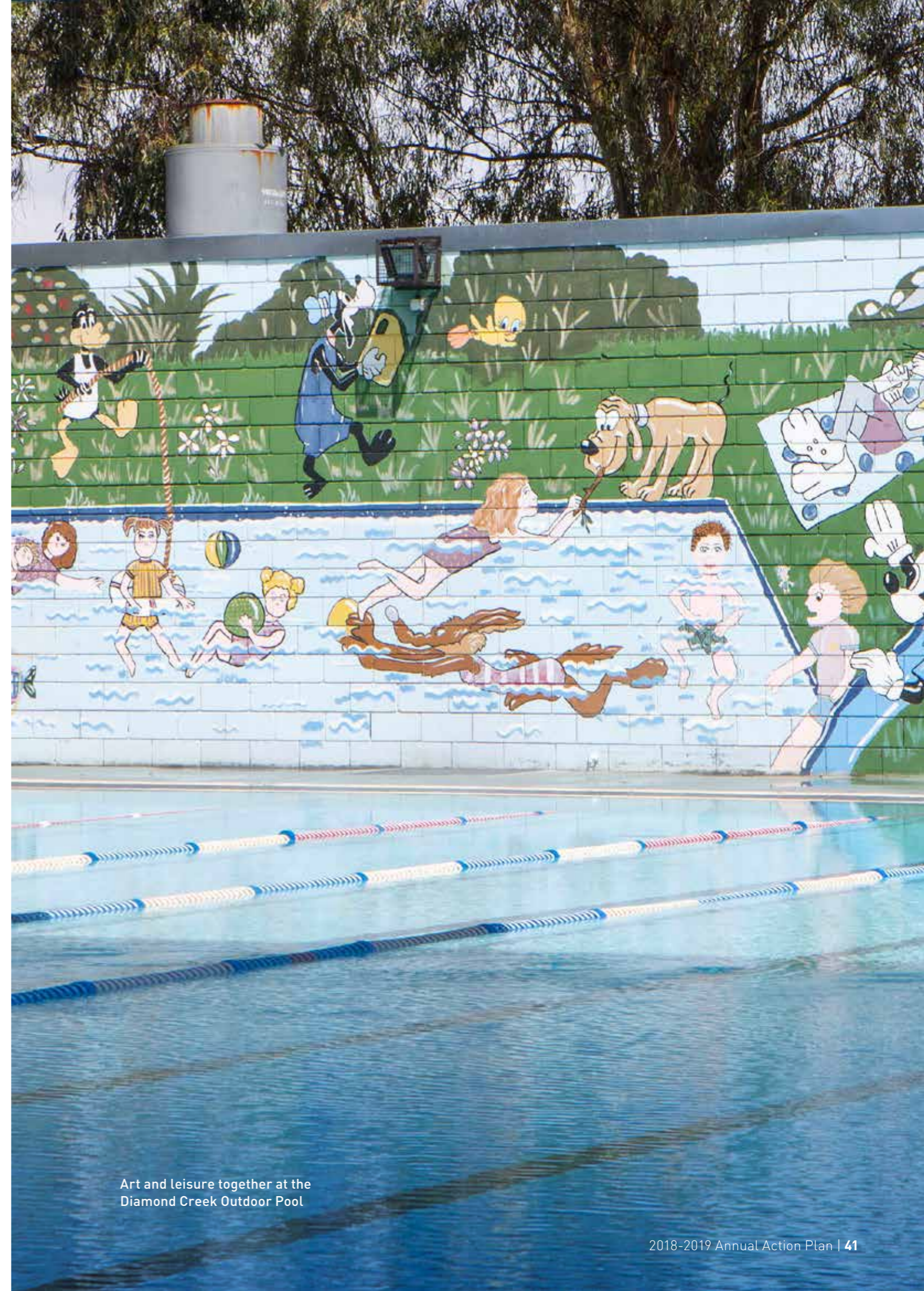
| Safe and healthy environments | | | |
|---|---|---|--------|
| Action | Progress Update | Outcome | Status |
| Report and measure on the progress of the Climate Change Action Plan* | Reporting on progress of the <i>Climate Change Action Plan</i> allows Council to communicate its actions and strategies in this space to the community. Collation of council's building energy use data is ongoing, and understanding the energy use of Council buildings will underpin future decision-making on offsetting carbon emissions associated with building energy use. This data will inform decision-making on investment in renewable energy projects. | Council's climate change strategies are clearly communicated to the community. | ✓ |
| Review the Invasive Species Action Plan* | A range of programs are being delivered to control pest plants and animals on Council and private land in order to protect biodiversity and conserve our natural resources. Actions undertaken included roadside weed control, blackberry spraying and planning for the annual rabbit control program. Collaboration continues with government agencies and Landcare to strategically manage invasive species. Landowners continue to be supported through the Land Management Incentive Program and Sustainable Agricultural Rebates. | The local community is involved in the review and implementation of environmental policies to protect biodiversity and conserve natural resources in the shire. | ✓ |
| Implement the Integrated Water Management Plan | The <i>Operations Centre Integrated Water Management Plan</i> has been completed, funded by a grant from Melbourne Water's Living Rivers program. The project has delivered a concept design to better manage operations wastewater and stormwater at Council's Operations Centre in Plenty. | | ✓ |
| Promote and implement design excellence and innovation in architecture in our activity centres and in public buildings | Innovation and design excellence continues to be considered in all of our building tenders, within budget constraints. | Improved, collaborative and holistic strategic planning. | ✓ |
| Implement the adopted Domestic Animal Management Plan (DAMP) year actions* | The <i>Domestic Animal Management Plan (DAMP)</i> promotes responsible pet ownership in the community. Highlights from year 2 of the DAMP included: <ul style="list-style-type: none"> reinforcing Council's close relationship and establishment of a formal agreement with the Save-a-Dog Scheme to use a local facility and provider to rehome abandoned dogs introducing a schools outreach program to educate primary school-aged children on animal safety and road/traffic safety modernising the process for investigating barking dog, cat trapping and other animal nuisance complaints, which achieved a 100 per cent success rate in resolving issues. | Responsible pet ownership is promoted in the community. | ✓ |

Re-scoped for 2019-2020 🔍 Minor issues ! Complete ✓

2018-2019 Annual Action Plan: Status summary

| Safe and healthy environments | | | |
|---|--|---|--------|
| Action | Progress Update | Outcome | Status |
| Review and update the Domestic Wastewater Management Plan and continue to advocate to Yarra Valley Water | The <i>Domestic Wastewater Management Plan 2019</i> was adopted at the June 2019 Council meeting, following community engagement and consultation. On the advocacy front, Council has been successful in its advocacy to Yarra Valley Water for the reticulated sewerage network in Eltham South. As a result of this advocacy, more properties in Eltham South will be connected to the sewer network, meaning better environmental outcomes, and less leakage into the Yarra River catchment. | The local community is involved in the review and implementation of environmental policies to protect biodiversity and conserve natural resources in the shire. | ✓ |
| Review waste management programs and present an options paper to improve community outcomes* | The kerbside waste collection procurement strategy is in progress with tenders currently being evaluated. The purpose of the procurement process is to ensure that residents are receiving the best value service at the lowest possible expense. | Waste management services meet the needs of our community. | ✓ |
| Establish a graffiti removal policy to inform future service levels* | This action aims to establish a graffiti removal plan to identify Council's role in improving the appearance of public spaces and to inform future service levels. The completion of a <i>Graffiti Removal Plan</i> has been delayed due to resourcing constraints hampering the development of the plan. A plan will be developed in the first quarter of 2019-2020 for Council's consideration, which will assist with determining future service levels. | Improve the amenity and appearance of public spaces. | ! |
| Advocate to VicRoads and State Government for traffic congestion and safety improvements * | Council is currently advocating on numerous fronts including: <ul style="list-style-type: none"> • North East Link Project • Hurstbridge Rail Crossing Duplication – Stage 2 • Yan Yean Road Duplication – Stage 2 • Major Roads Project Victoria – Northern Region Projects for Fitzsimons Lane / Main Road intersection and Leanne Drive / Main Road intersection. | Advocate for improved public transport, traffic management and reduced road congestion. | ✓ |
| Promote and advocate for improvements to pedestrian, bicycle and horse riding connectivity and access (including safety) * | Council delivered approximately \$300,000 of trail improvement works in 2018-2019, including resurfacing and upgrades to the Diamond Creek Trail and a new horse trail connection in Rodger Road, Pantom Hill. Council officers have contributed to the development of VicRoads' Strategic Cycling Corridor, and advocated for new and ongoing cycling corridors to set the scene for future funding opportunities. | | ✓ |

Re-scoped for 2019-2020  Minor issues  Complete 



Art and leisure together at the Diamond Creek Outdoor Pool

2018-2019 Annual Action Plan: Status summary

| A prosperous economy | | | |
|--|---|--|--------|
| Action | Progress Update | Outcome | Status |
| Adopt a new Nillumbik Economic Development Strategy and create a set of indicators to measure success* | The new <i>Nillumbik Economic Development Strategy</i> is currently being prepared for consultation and engagement with the community in the second half of 2019. | Investment and development within the shire leads to increased economic development and local employment, and broadens the rate base, while at the same time preserving the Green Wedge. | ! |
| Undertake a feasibility study/review of rural activity/industry in the shire to identify opportunities for growth | Rural economic development priorities are identified in the draft <i>Green Wedge Management Plan</i> . The <i>Nillumbik Economic Development Strategy</i> will reflect the final <i>Green Wedge Management Plan</i> and will identify opportunities for the support and development of specific industries and employment opportunities in the rural and activity centres in Nillumbik. | Investment and development within the shire leads to increased economic development and local employment, and broadens the rate base, while at the same time preserving the Green Wedge. | ! |
| Develop a Business Support and Attraction Plan underpinning Melbourne's North Investment Strategy* | The <i>Northlink Investment Attraction Plan</i> is complete and the Yarra Ranges Tourism Strategic Plan includes Council's investment and advocacy priorities. This regional partnership approach to economic development will ensure priorities for Nillumbik are translated into state and federal government policies and that resources are allocated accordingly. | Development of the tourism industry in the shire. | ✓ |
| Implement a revised and refreshed Artisan Hills Marketing Plan * | Nillumbik's integration with Yarra Ranges Tourism and transition to Visit Nillumbik is complete. A detailed annual review will be presented to Council in the second half of 2019. | Investment and development within the shire leads to increased economic development and local employment, and broadens the rate base, while at the same time preserving the Green Wedge. | ✓ |

Re-scoped for 2019-2020  Minor issues  Complete 



All aboard the Diamond Valley Miniature Railway, Eltham Lower Park


| A prosperous economy | | | |
|---|--|--|--------|
| Action | Progress Update | Outcome | Status |
| Progress the urban renewal of Eltham Precincts 3 and 4 , including the taking to market of the 'Civic Showcase' project* | The request for proposal process and negotiations with a preferred member of the development industry for the potential development of the Council-owned property at 895 and 903-907 Main Road, Eltham have ceased. Council has requested a briefing from officers regarding the future land use opportunities for this property, and Precincts 3 and 4 of the activity centre more broadly. | A visionary plan for the Eltham Activity Centre is developed. | ✓ |
| Progress township planning (Eltham and Diamond Creek structure plans, new Hurstbridge plan, and options for Yarrambat)* | <i>Eltham and Diamond Creek</i> Research and analysis findings, together with initial community feedback, has informed the review of the Eltham and Diamond Creek Activity Centre structure plans, which has commenced. <i>Yarrambat</i> Following the Minister for Planning's advice that rezoning for a small commercial centre development would not be supported, Council is continuing to look at ways to support the Yarrambat community. One initiative is the development of a <i>Township Streetscape Plan</i> , with consultation to occur in late 2019. <i>Hurstbridge</i> Council has agreed not to pursue a new <i>Hurstbridge Township Plan</i> , as streetscape improvement works along Heidelberg-Kinglake Road have been completed and received a positive community response. | Investment and development within activity centres is encouraged. New economic development opportunities are identified. Improved amenity within our villages. | ✓ |

Re-scoped for 2019-2020  Minor issues  Complete 

2018-2019 Annual Action Plan: Status summary

| Responsible leadership | | | |
|--|---|---|--------|
| Action | Progress Update | Outcome | Status |
| Regularly update and implement an overarching advocacy strategy and pre-budget submission to Government | The Federal Government pre-budget submission was endorsed by Council in November 2018 and sent to the Treasurer in December 2018. The Federal Government election advocacy document was endorsed at the November 2018 Council meeting, released online and distributed to all political parties ahead of the May 2019 Federal Election. | Ensure Nillumbik's best interests at a state and national level are advocated for. Advocate for improved public transport, traffic management and reduced road congestion. | ✓ |
| Review and implement Council's Asset Management Strategy and develop a better system to support delivery* | This project has been identified as part of Council's <i>Digital Transformation Strategy</i> and is considered critical in capturing data and providing visibility to customers regarding council's asset portfolio. The change in approach has impacted the timing of awarding the contract to a software provider which is now scheduled in early 2020. | Ensure effective planning for the community's future service and infrastructure needs. | ! |
| Implement land sales decisions , including rezoning or introduce protections for parcels to be retained | Contracts of Sale have been signed and deposits received for 18a Citriodora Crt, Diamond Creek and 303 Plenty River Drive, Greensborough. Settlement cannot occur until the Plans of Subdivision have been registered by Land Use Victoria to remove their 'Reserve' status, which is now expected to occur before 30 September 2019. The sale of 251 Yan Yean Road, Plenty has been delayed due to VicRoads Yan Yean Road duplication works, which included VicRoads acquiring part of this land. Once VicRoads Plan of Subdivision has been registered to create a new title for this property, Council can then place the land on the market. This is expected to occur in October 2019. 34 Raglan Road, Research and 20A Henry Road, Eltham road discontinuances have both been completed and new titles registered with Land Use Victoria free of the road status. The rezoning process of these two parcels has commenced as part of Planning Scheme Amendment C117. A Plan of Subdivision for the purpose of rezoning at Civic Drive, Greensborough has been submitted for certification. | | ✓ |

Re-scoped for 2019-2020  Minor issues  Complete 

| Responsible leadership | | | |
|---|--|---|---|
| Action | Progress Update | Outcome | Status |
| Develop and implement a Customer Experience Strategy , define service standards and deliver training* | The Nillumbik <i>Customer First Strategy</i> was implemented in early 2019, following significant resourcing investment in customer experience. Key activities in 2018-2019 included: <ul style="list-style-type: none"> customer service training across the entire organisation establishing our customer experience benchmarking survey conducting our first ever internal customer experience survey, with 250 staff participating introducing Council's first Quality Benchmarking System for customer experience enabling user feedback on the Council's website completion of a draft Complaint Management Policy and process. | Provision of seamless service delivery and an open and responsive approach to our customers. | ✓ |
| Ensure that residential rate increases are at least 0.25% below the legislated rate cap in 2019/2020 | The <i>2019-2020 Annual Budget</i> was adopted by Council in May 2019. The 2019-2020 Budget includes a 2.25 per cent rate increase, which is 0.25 per cent below the rate cap. | Reduced rates in Nillumbik relative to other Victorian councils. | ✓ |
| Undertake nominated strategic service reviews and commence/progress implementation plans* | Reviews undertaken in 2018-2019 included: <ul style="list-style-type: none"> Positive Ageing service review Living & Learning Nillumbik service review Maternal and Child Health service review Youth and Community Partnerships service review Edendale Community Environment Farm service review. | Provision of high quality community infrastructure and services in response to community needs. | ✓ |
| Continue to implement key Organisational Culture and Capability Strategy (OCCS) programs | This program evolved and contributed to identifying the key needs of the organisation's workforce. The new organisational values continued to be embedded across Council. A staff and culture survey (undertaken through external contractor Insync) was completed in June 2019 to gather feedback about our current staff culture and organisational systems. The information gathered will assist management plan for the community's future service and infrastructure needs as well as guide the planning process to develop a skilled and efficient workplace and our future engagement strategy. | A skilled and efficient workforce with a focus on continuous improvement. | ✓ |
| Implement the KPI framework in order to better measure performance outcomes and tailor staff development | The Key Result Area framework (using a balanced scorecard methodology) continues to be embedded across Council through the use of business planning templates and individual performance dashboards. | | ✓ |
| Implementation of the first phase of the Digital Technology Strategy | Initiatives that will form the foundation for Council's information technology future state have been identified and have fast-tracked the upgrade of IT systems and architecture. | Provision seamless service delivery and an open and responsive approach to our customers. |  |

Re-scoped for 2019-2020  Minor issues  Complete 

Orange wigs in vogue for 16 Days of Activism against Gender-Based Violence at Eltham's Men Shed



Council Plan Goal

Engaged, connected communities

A place where communities and ideas thrive, underpinned by trust, confidence and continuous learning.

At a glance...

| Strategic indicators (12) | | Priority actions (21) | | Budget | |
|---------------------------|---|-----------------------|----|-------------|----------|
| Positive/Increasing | 8 | Completed | 12 | Income | \$4.94m |
| Negative/Decreasing | 2 | In progress | 9 | Expenditure | \$12.53m |
| Not applicable | 2 | | | | |

Core activities

- Aged and disability services
- Community development and planning
- Family, youth and children's services
- Learning, arts and culture
- Libraries

Interesting facts

585 children registered and accepted into Nillumbik preschools

90 children attend Council's two playhouses each week

854,800 loans from the Eltham and Diamond Valley libraries

19,592 active library members and 377,250 visits to libraries

19 families

supported by the In Home Family Mentoring program

567 birth notifications

223 first-time parents

8,540 delivered meals

27,360 hours

of Home and Community Care Program for Younger People (HACC PYP) and Commonwealth Home Support Program (CHSP) care delivered

3,622 enrolments in Living & Learning Nillumbik courses and activities

33,325 student contact hours for the Neighbourhood House Program. 47 enrolments in pre-accredited courses and 384 enrolments in accredited courses

2,122 one-way trips delivered by the Community Transport Bus

387 one-way trips made by the Community Transport One-on-One service

103,290 visits to Edendale Community Environment Farm

10,380 participants in environmental education programs at Edendale Community Environment Farm

Engaged, connected communities

Achievements

- Council developed its first *Bushfire Mitigation Strategy* following extensive community consultation.
- Nillumbik has the highest level of kindergarten participation across Victoria.
- Development of an online preschool enrolment form and parent portal.
- Receipt of \$60,000 State Government Grant to develop and deliver a Gender Equity Advocates project.
- Delivery of 24 capital projects across Early Years facilities.
- Successful implementation of the Federal Government Child Care Subsidy to Eltham Playhouse.
- Completed a service review of Living & Learning Nillumbik to address opportunities for program enhancements.
- Living & Learning Nillumbik was one of the first training organisations nationally to be approved to deliver the TAE40116 qualification (Certificate IV in Training and Assessment) in the Vocational Education and Training (VET) sector.
- Continued planning and preparation for emergency events and updating the *Municipal Emergency Management Plan* (MEMP) and *Municipal Fire Management Plan* (MFMP).

Challenges

- Ensuring that the *Bushfire Mitigation Strategy* reflects a truly comprehensive approach to fire mitigation and allows for community consultation.
- Ensuring community readiness in the face of high potential for bushfires in the 2019-2020 summer period.
- Ensuring the *Community Infrastructure Plan* reflects community needs and priorities through effective consultation and engagement.

The year ahead

- Develop a background paper and research paper to inform preparation of a *Shire Plan 2050* in 2021.
- Develop a *Lifelong Learning Action Plan*.
- Develop the Community Infrastructure Policy and associated guidelines.
- Develop an integrated communications and marketing plan.
- Implement the preferred option for the management and operation of Edendale Community Environment Farm.
- Township groups will develop a local plan for Early Years infrastructure to commence in September 2019, with a proposed plan to go to Council by December 2019.
- Completion of the State Government's Capacity Assessment to deliver funded three-year-old kindergarten.
- Research and planning to prepare for the implementation of funded 3-year-old kindergarten.
- Review of Council's lease agreements with Early Years services and development of service agreements.
- Delivery of three State Government capital projects if funding applications are successful.
- Delivery of State Government capital funding to extend Eltham Playhouse.
- Implement the adopted *Living & Learning Nillumbik Service Plan*.
- Implement bushfire mitigation, awareness and resilience actions from the adopted *Bushfire Mitigation Strategy*.
- Continue emergency management planning and updating of emergency management plans.
- Continue to train staff in emergency management activities.

How we performed against the Council Plan

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

| Strategic indicator | Year | | | | | Result |
|---|------|------|------|------|------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Community satisfaction with Council's responsiveness to local community needs | 6.77 | 6.80 | 5.97 | 6.32 | 6.65 | ↑ |
| Community satisfaction with Council's consultation and engagement | 6.83 | 6.62 | 5.76 | 6.33 | 6.53 | ↑ |
| Community satisfaction with Council making decisions in the best interests of the community | 6.67 | 6.42 | 5.74 | 6.26 | 6.54 | ↑ |
| Community satisfaction with Council maintaining trust and confidence of the local community | 6.89 | 6.60 | 5.78 | 6.15 | 6.54 | ↑ |
| Community satisfaction with community services | 7.38 | 7.52 | 7.42 | 7.67 | 8.04 | ↑ |

Source: 2019 Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)

| Strategic indicator | Year | | | Result |
|---|--------|-------|------|--------|
| | 2011 | 2016 | 2021 | |
| Proportion of persons aged 15+ who performed voluntary work in past 12 months | 21.80% | 24.0% | N/A | ? |

Source: <https://profile.id.com.au/nillumbik/volunteering>

| Strategic indicator | Year | | | | Result |
|--|---------|---------|---------|---------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Percentage of the municipal population that are active library members | 23.7% | 25.9% | 27.0% | 28.0% | ↑ |

Source: Yarra Plenty Regional Library

| | | | | | |
|---|--------|---------|---------|---------|---|
| Total enrolments in programs at Living & Learning Centres | 3,159 | 3,737 | 3,097 | 3,622 | ↑ |
| Total number of program participants and visitors at Edendale | 93,394 | 109,020 | 107,837 | 103,290 | ↓ |

Source: Council records

| Strategic indicator | Year | | | | Result |
|---|------|------|------|------|--------|
| | 2016 | 2017 | 2018 | 2019 | |
| Total number of enrolments in pre-schools | 610 | 585 | 593 | 583 | ↓ |

Source: Council records

Increasing ↑ Decreasing ↓ No change ⇌ Trend unclear ?

How we performed against the Council Plan

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

| Strategic indicator | Year | | | | Result |
|---|---------|---------|---------|---------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Total number of members in University of the Third Age (U3A), Older Men:New Ideas (OMNI), and Men's Shed programs | 588 | 651 | 713 | 800 | ↑ |

Source: Council records

| | | | | | |
|--|-----|-----|-----|-----------|---|
| Community engagement in risk awareness and resilience programs | N/A | N/A | N/A | *See note | ? |
|--|-----|-----|-----|-----------|---|

Increasing ↑ Decreasing ↓ No change ⇌ Trend unclear ?

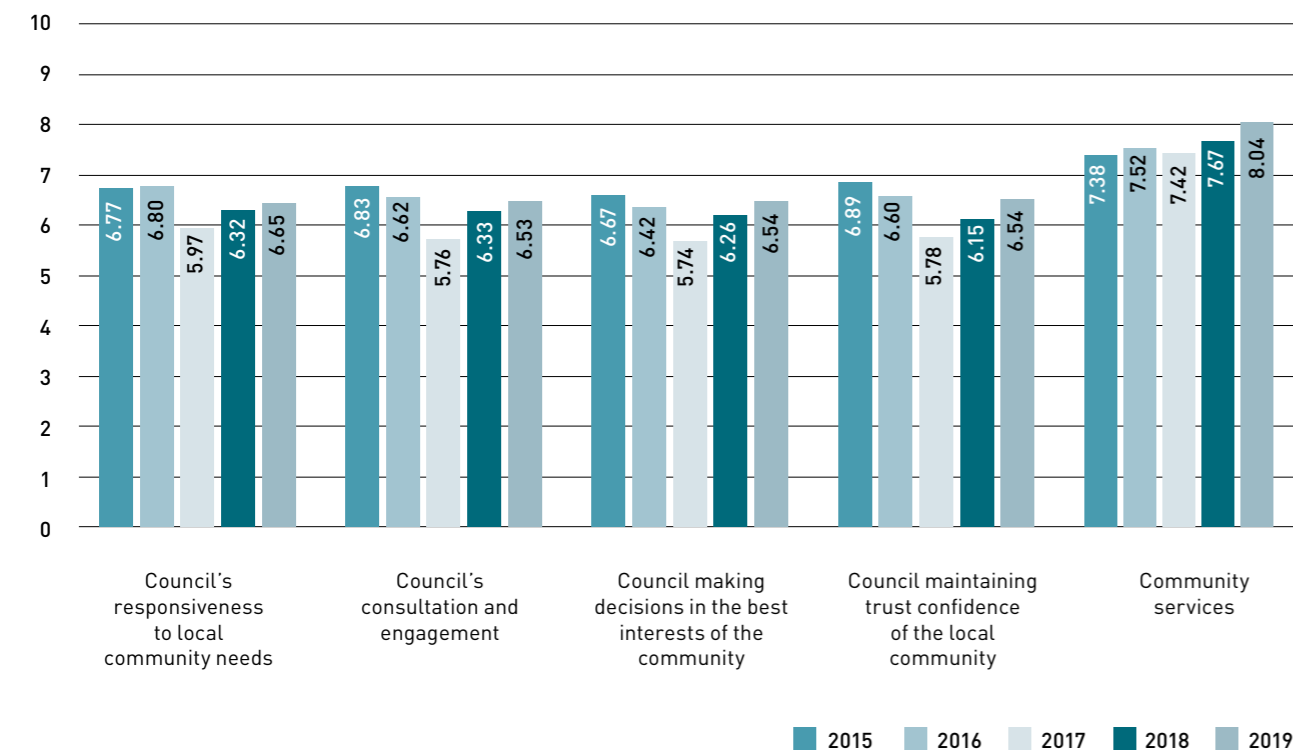
* In 2018-2019, Council promoted community engagement in risk awareness through five initiatives:

- Nillumbik Emergency Management Forum – an all-hazards community forum, which attracted about 80 attendees
- Regional Community Disaster Resilience Forum – an Eastern Metro Region forum hosted by Yarra Ranges
- Safer Together – a new whole-of-government approach to reducing risk of bushfire in Victoria. Council actively informs and supports in terms of strategy and delivery, including local initiatives
- Community Fireguard – a Country Fire Authority (CFA) community education program, involving 90 Community Fireguard Groups in Nillumbik. This is the highest proportionate number of groups in the state
- North West Region Metropolitan Emergency Management Forum.

Satisfaction with aspects of Council performance

Nillumbik Shire Council – Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)



The new Eltham North Adventure Playground

Budget 2018-2019 funded services

The following statement provides information in relation to the services funded in the 2018-2019 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, including home care, home maintenance and delivered meals. | 2,179 1,799 380 |
| Children, Family and Youth Services | This function provides services for children, youth and families such as preschool, playgroups and youth activities. | 1,110 620 491 |
| Community Development and Inclusion | This function provides services for the whole community, such as community halls, volunteer programs, festivals and events and community development. | 1,868 393 1,475 |
| Libraries and Community Education | This service provides facilities and programs for the whole community, including libraries, Living & Learning Centres and Edendale Community Environment Farm. | 6,015 1,662 4,353 |
| Maternal and Child Health | This service is for new babies and parents in the shire. | 1,361 466 895 |

Case study

Social interaction through meals – making connections happen

Social isolation for some older people in our community is a real issue. Smaller social circles, limited transport options and lack of knowledge of planned events all create barriers to connecting with others in the community.

Council's Community Support Services provide opportunities for older people who receive delivered meals to also attend an organised lunch at a local restaurant/café.

The purpose of these lunches is to have people out and about in their community, sharing a

meal with others where they may not have the opportunity otherwise.

To overcome the transport hurdle, the Community Transport Program offers a pick-up and drop-off service from the participant's home to the lunch event utilising the Council Community Bus.

The lunches were initially organised on a monthly basis, but following increased demand and positive feedback from those who have attended, an additional lunch was introduced, with the lunches now occurring on a fortnightly basis on different days to provide greater options for people.



Emergency management personnel at the Yarrambat Working Together exercise

Case study

Working together to reinforce our safety practices

The shire of Nillumbik boasts wide open spaces, rolling hills and a strong sense of community.

The surrounding natural beauty also makes Council acutely aware of the fire danger that it poses to the district.

Regular training for first responders with other relevant agencies is vital so that in the event of an emergency, Council will be as prepared and coordinated as possible to deal with the situation.

In September 2018, Council officers, Forest Fire Management Victoria and

representatives from Country Fire Authority (CFA) branches throughout Nillumbik met at Yarrambat Park Lake for the 16th annual 'Working Together' exercise.

The aim of the day was to meet and greet, test equipment and train new staff to draw water from a lake or dam in the case of an emergency.

This training also provided an opportunity to build an understanding for the CFA of Council's capability for support and build networks with key CFA staff to strengthen our ability to keep us all as safe as possible in an emergency situation.



The brilliant Community Blitz team

Case study

Re-opening the Eltham North Adventure Playground

The community was shocked and saddened when the Eltham North Adventure Playground was destroyed by fire in December 2017. One year on, in December 2018, with the collaboration of the community the new playground was re-opened just in time for the summer school holidays.

The new playground includes features such as slides and sandpits for the younger kids, while older kids can enjoy higher climbing walls, a rope ladder and bigger slides. Improvements to garden beds and the dry creek riverbed also enhanced the amenity of the playground.

Council worked closely with the designers to ensure the playground caters for all ages and abilities by widening doorways, adding ramps and connecting all the play spaces with paths.

Prior to the official opening, a group of children from Diamond Valley Special Developmental School visited to plant trees and play.

The community also banded together to participate in a Community Blitz, with more than 100 community members working with Council, partners and volunteers in a true example of Council and community collaboration.

This Council-led project empowered the community to come together to reclaim their much-loved gathering space.

The new playground was subsequently awarded the Best New Playspace in Victoria and Tasmania at the Parks and Leisure Australia Awards. The national award will be announced in late 2019.

Living & Learning Nillumbik

Council operates Living & Learning Nillumbik centres in Diamond Creek, Eltham and Panton Hill. The centres offer nationally recognised qualification courses, careers and employment training, business courses, computer training, and a variety of short courses and activities.

Key activities and achievements in 2018-2019 included:

Christmas Makers Market

After Living & Learning Nillumbik successfully staged three Makers Markets in 2017-2018, an enthusiastic group of our makers suggested a fourth "Christmas Makers Market" and volunteered to help with organisation and planning.

The market was held at the Eltham Living & Learning Centre on Sunday 25 November 2018, with 40 stallholders who had been carefully selected to provide a diverse selection of handmade wares and food stalls. Half of these makers were members of our MakerSpaces.

Despite a drizzly start to the day, the market attracted a large crowd and the high quality of the products on offer was frequently commented upon.

Stallholders were exceptionally happy with the outcome and visitors had the opportunity to meet local makers as well as get to know the Living & Learning Nillumbik Centre and community.

diversARTy and the 16 Days of Activism against Gender-Based Violence Campaign

Living & Learning Nillumbik commissioned an artwork from the Friday Glass Arts MakerSpace, asking the group to respond through their art to the issues of gender-based violence.

The artwork was unveiled at the Living & Learning Nillumbik annual exhibition "diversARTy" at the Eltham Library Community Gallery on Saturday 24 November 2018.

Speaking at the opening, the group coordinator, Gayle Parkes, said "Many of us are fortunate to be surrounded by those who love and care for us. Sadly, for others this isn't so. Many women face violent and adverse situations in their environment, often facing overwhelming feelings of hopelessness and despair as they struggle to break away, or even just survive. Our leadlight panel, produced collaboratively with empathy and love, is a reflection of those lives".



Participants at the Eltham Living & Learning Nillumbik Centre Exploring Art workshop

Case study

Celebrating Neighbourhood House Week – a community space to share, learn and connect

Neighbourhood Houses offer a space for people of all ages and backgrounds to share, learn and connect.

Council have five neighbourhood houses/ learning centres located across the shire in Diamond Creek, Eltham, Hurstbridge, Panton Hill and St Andrews.

During Neighbourhood House Week (10-17 May 2019), Council opened the doors so people could see what goes on in our rooms and studios at the Living & Learning Nillumbik Centre in Eltham.

Participants and tutors used the opportunity to share their interests and learnings with each other. When the participants were asked to tell us what they loved about Living & Learning Nillumbik, here is how they responded:

"It creates a vibrant community of learners who share, learn and connect. What an awesome place!"

"We get together, share life's joys and sadness in our life. Very supportive group. Teach each other skills and share ideas and resources."

"It's such a fantastic environment with lovely, friendly, supportive people that work well together and encourage each other. It gives me social interaction, connection and support. So grateful for this space!"

"How lucky are we to have this wonderful resource on our doorstep!"



One of Council's volunteer IHFM mentors with a local family

Case study

In Home Family Mentoring Program – supporting new parents across the shire

Having strong supportive networks to help you during the early years with young children is so important for families. Unfortunately not everyone enjoys this support. The In Home Family Mentor Program (IHFM) offered by Council has trained volunteers who visit families with children under school age, living in Nillumbik who require social, emotional and practical support.

The case below outlines how important the program is to provide much-needed support to parents in those early child-raising years.

*Susan and *Paul are parents of new born twins, as well as a four-year-old who attends kindergarten. Susan's parents and sister live interstate. They have regular contact over the telephone and her parents try to visit every six months. Paul is an only child and his parents are elderly and live 40 minutes away. After two weeks paid paternity leave, Paul had returned to full-time work.

The Maternal and Child Health Nurse was concerned about Susan feeling sleep deprived, anxious and socially isolated. The nurse spoke to Susan about the IHFM.

After meeting with the IHFM coordinator and finding out the family's support needs, Susan was matched to a volunteer mentor. The mentor met the family in their own home and weekly two-hour visits were arranged. The volunteer mentor visits when all three children are at home so that they can play and read with the four year old while Susan feeds and settles the twins. They can also help by holding one of the babies when they are unsettled and go with the family for walks to the park or visits to the library.

The volunteer mentor visits the family once a week for a year. Susan reported that she appreciates the adult company, the opportunity to talk about her week with someone who understands and someone who she can share her parenting experience with and receive positive encouragement.

*names changed

Service performance indicators and measures

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of material variations.

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|---|--------|--------|--------|--------|--------|---|
| Libraries | | | | | | |
| Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items] | 9.42 | 10.03 | 10.25 | 11.50 | 11.30 | 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 continues to invest in digital resources, separate to the physical collections, which have seen a significant increase in use over the past year. |
| Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100 | 86.00% | 87.55% | 85.24% | 90.40% | 89.57% | YPRL has a robust stock maintenance program where items are withdrawn from the collection due to age, non-use, currency and irrelevance. The slight decrease is reflective of the drop in value of the Australian dollar and the resulting decrease in the purchasing power of the Collections Budget. |
| Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits] | \$4.40 | \$5.26 | \$5.72 | \$6.29 | \$6.22 | Each council contributes to the cost of running the library service based on a cost apportionment agreement. The decrease in cost is reflected by an increase in visits, particularly to the Diamond Valley Library, which saw an increase of 4.91 per cent in 2018-2019. |
| Participation <i>Active library members</i> [Number of active library members / Municipal population] x100 | 25.00% | 23.71% | 25.94% | 27.38% | 30.17% | A total of 19,592 Nillumbik residents were active library members in 2018-2019, representing an increase of 3.10 per cent. This figure does not consider the number of residents who utilise the many services and programs provided by the Eltham and Diamond Valley libraries, but may not be members of the YPRL. |

Service performance indicators and measures

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|---|---------|---------|---------|---------|---------|--|
| Libraries | | | | | | |
| Satisfaction <i>Participation in first Maternal and Child Health (MCH) home visit</i> [Number of first MCH home visits/Number of birth notifications received] x100 | 100.00% | 101.36% | 97.24% | 99.49% | 99.28% | In 2018-2019, the number of birth notifications received was closely linked to the number of home visits attended. Birth notifications received towards the end of the financial year will be provided with a home visit in the new financial year. |
| Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received)/ Number of birth notifications received] x100 | 94.00% | 102.04% | 99.35% | 99.32% | 100.00% | The Maternal and Child Health Service has increased the number of infants enrolled from birth notifications, potentially demonstrating responsive and timely service delivery to new families with babies. However, since 2015, a number of Maternal and Child Health service providers have migrated to a new record system. Difficulties in transitioning to this system have affected the reporting of enrolment data in a number of Local Government Areas. As such, caution should be taken when analysing data for this indicator. |
| Service cost <i>Cost of the MCH service</i> [Cost of the MCH service/ Hours worked by MCH nurses] | \$- | \$71.78 | \$70.02 | \$75.38 | \$77.64 | In 2018-2019, an increase in overall MCH service costs occurred due to a number of factors, including: the MCH Enterprise Bargaining Agreement (EBA) salary increment, the employment of a permanent Enhanced Maternal and Child Health Nurse at 0.4 Effective Full Time (EFT) and Temporary part time reliever. |
| 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% | 78.76% | 79.82% | The Maternal and Child Health Service continues to provide a connected and responsive program to families with young children in 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% | 78.95% | 69.44% | The overall MCH enrolment of Aboriginal families and young children demonstrates a connection to and linkages with the MCH service in Nillumbik. A small variation in the low raw numbers of this client group accounts for what otherwise appears to be a significant percentage increase from the previous year. |



Mayor Karen Egan with the Australia Day 2019 award winners

Case study

Australia Day 2019 – welcoming new citizens and celebrating our most outstanding citizens.

The Nillumbik community gathered at the Eltham Community and Reception Centre on a beautiful, warm Australia Day to acknowledge some outstanding Nillumbik citizens and make welcome our newest Australian citizens.

Leon Higgins was awarded the 2019 Nillumbik Citizen of the Year for displaying incredible leadership skills and unwavering dedication to various community organisations including Eltham Men's Shed, Eltham Older Men and Rotary Club of Eltham to name a few.

Nillumbik Awards were also received by Glen Ferrarotto (Volunteer of the Year); Cameron Sibeijn (Young Citizen of the Year); Barry Backman (Senior Citizen of the Year) and the Diamond Creek Opportunity Shop (Community Group of the Year).

Following the award presentation, the crowd then warmly welcomed our 43 newest Australian citizens.



Local's shooting some hoops in the sunshine at the new Civic Drive Playspace, Greensborough

Council Plan Goal Active and creative people

Active lifestyles and artistic expression are fostered through participation and innovation.

At a glance...

| Strategic indicators (8) | | Priority actions (19) | | Budget | |
|--------------------------|---|-----------------------|----|-------------|----------|
| Positive/Increasing | 5 | Completed | 13 | Income | \$9.61m |
| Negative/Decreasing | 3 | In progress | 6 | Expenditure | \$12.99m |

Core activities

- Edendale Community Environment Farm
- Environmental education and events
- Learning, arts and culture
- Leisure services and facilities

Interesting facts

143,520 visits to aquatic facilities

1,675,658 visits to non-aquatic recreational facilities

21 sports fields and one synthetic soccer pitch

153,453 participants in Council's arts and culture programs

41,587 online participants in Council's arts and culture programs

24 exhibitions were delivered

635 artists

of various disciplines were featured in Arts and Culture programs, projects and events

81,287 visitors attended the Eltham Library Community Gallery Program

An estimated 4,810 people visited 32 studios as part of Nillumbik's Artist Open Studios

over three weekends in November 2018 and May 2019

Active and creative people

Achievements

- Completed installation of floodlights and commenced construction of new pavilion at Marngrook Oval in Diamond Creek.
- Commenced redevelopment of Eltham Lower Park and Susan Street Reserve Pavilions.
- Implementation of the *Arts and Cultural Plan 2018-2022*.
- Opened new playgrounds at Eltham North and Civic Drive, Greensborough.
- 40th anniversary of the Diamond Valley Sports and Fitness Centre opening.
- Re-opened the Eltham Leisure Centre aquatic facilities following extensive redevelopment.
- The Eltham North Adventure Playground was re-opened, and was also awarded the Best New Playspace in Victoria and Tasmania at the Parks and Leisure Australia Awards.
- An aligned Artist Open Studio exhibition at Eltham Library Community Gallery attracted 7,000 visitors.
- \$40,000 was awarded to community groups in grants through the Art and Culture stream of the Nillumbik Community Fund, enabling eight community projects.
- 13 historical society/heritage groups were supported through \$7,800 in annual heritage grants.
- Nine Arts Awards were awarded, totalling \$34,858. This included the Nillumbik Prize Open Award, Local Award and Mayoral Award, the Literary Nillumbik 2018 Alan Marshall Short Story Award Open Prize, Local Prize and Youth Award, and the Ekphrasis Open Prize, Local Prize and Youth Prize.
- 32 artists featured in the Nillumbik Artist Open Studios Program.
- 54 artists featured in 2019 Nillumbik Prize finalist's exhibition.
- Six new art acquisitions.
- Development of a regional gallery feasibility study, the Nillumbik Art Collection Policy and Curatorial Guidelines, and the Public Art Policy and Implementation Guidelines.
- Re-development and relaunch of the Nillumbik Prize for Contemporary Art.
- The re-development of Literary Nillumbik to the Nillumbik Prize for Contemporary Writing.

Challenges

- Delivering a significant capital works program on time and within budget.
- Improving accessibility, gender equality and female representation in sport.
- Improving responsiveness to community and sporting club requests for service

The year ahead

- Continue to deliver key community infrastructure projects.
- Progress the missing link of the Diamond Creek Trail and continue to advocate and lobby funding for the broader trails network.
- Commence development of the business and master plan for the development of a public art gallery.
- Introduce a new grants stream specifically for creative industries which will see the development of a fellowship program, further building on Council's investment in the creative industries.
- Continue implementation of the *Arts and Cultural Plan 2018-2022* through:
 - Public and participatory arts to enable the participation of the arts as an everyday experience.
 - Supporting professional contemporary practice that builds on the local creative economy and cultural tourism.
 - Opportunities to access arts and culture through local history and grassroots community arts organisations, with wider benefits of community wellbeing and connectivity.
 - The Artist in Residence Program.

How we performed against the Council Plan

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

| Strategic indicator | Year | | | | | Result |
|---|------|------|------|------|------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Community satisfaction with aquatic and leisure centres | 7.81 | 7.57 | 7.44 | 7.70 | 8.12 | ↑ |
| Community satisfaction with sports ovals/facilities/activities | 8.23 | 7.9 | 7.75 | 8.17 | 8.09 | ↓ |
| Community satisfaction with on and off-road bike paths | 7.63 | 7.7 | 7.44 | 7.72 | 7.53 | ↓ |
| Community satisfaction with arts and cultural events, programs and activities | NM | 7.85 | 7.83 | 7.99 | 7.98 | ↓ |
| Community satisfaction with provision and maintenance of parks and gardens | 7.40 | 7.19 | 7.35 | 7.34 | 7.45 | ↑ |

Source: 2019 Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)

Note: NM denotes not measured in the reporting period

| Strategic indicator | Year | | | | Result |
|---|-----------|-----------|-----------|-----------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Attendance at aquatic centres ⁽¹⁾ | 160,492 | 50,361 | 61,152 | 143,520 | ↑ |
| Attendance at leisure centres (non-aquatic) ⁽²⁾ | 1,415,307 | 1,442,010 | 1,341,310 | 1,675,658 | ↑ |
| Total number of participants in arts and cultural programs ⁽³⁾ | 122,749 | 105,307 | 101,334 | 153,453 | ↑ |

Source: Council records

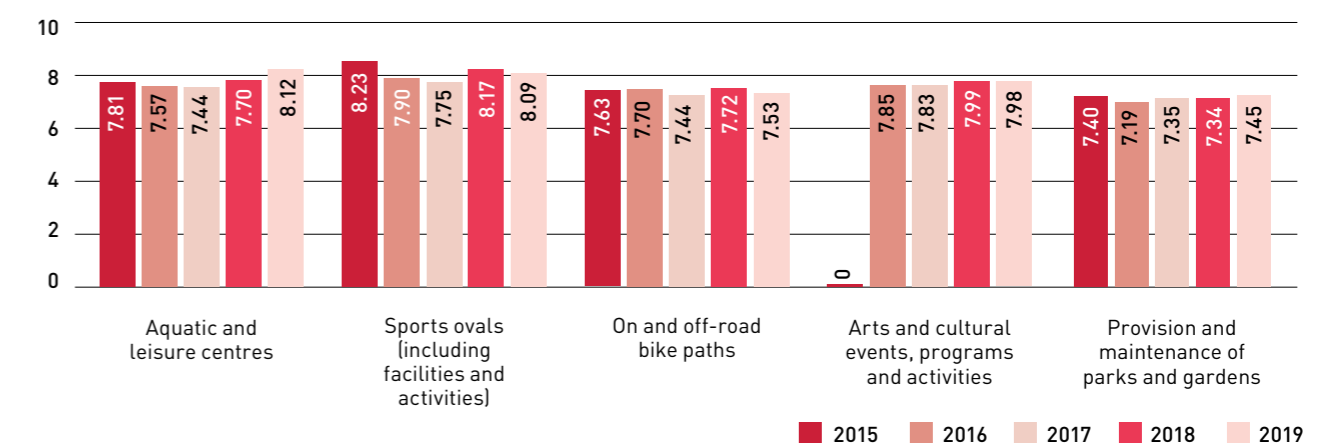
Increasing ↑ Decreasing ↓ No change ⇌ Trend unclear ?

- The re-opening of Eltham Leisure Centre's aquatic facilities has resulted in the significant increase in attendance. Due to the closure of the aquatic component of the Eltham Leisure Centre during refurbishment works over the previous two years, overall attendance at aquatic centres had been considerably reduced.
- Overall attendance at non-aquatic facilities has also been impacted by the refurbishment works at Eltham Leisure Centre as the wet component is an attractor for the dry component as well.
- Participation numbers in arts and cultural programs have increased substantially on 2017-2018 figures primarily due to the implementation of activities and actions under the 2018-2022 Arts and Cultural Plan.

Satisfaction with aspects of Council performance

Nillumbik Shire Council – Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)



Budget 2018-2019 funded services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

| Service | Description | Expenditure Revenue Net cost (\$'000) |
|--|---|---------------------------------------|
| Arts and Cultural Services | Arts and Cultural Services is responsible for the cultural vitality and community engagement in the arts across the shire. The team's mission is to enable participation in the cultural life of the community and enjoyment of the arts by providing diverse and innovative opportunities for active lifestyles and artistic expression. | 846 131 715 |
| 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. | 12,146 9,480 2,667 |

Service performance indicators and measures

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of material variations.

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|---|--------|--------|--------|--------|--------|---|
| Aquatic facilities | | | | | | |
| Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities] | - | - | - | - | - | 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 <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents] | - | - | - | - | 2 | There were two reportable WorkSafe incidents in 2018-2019 – one at Eltham Leisure Centre and one at Diamond Creek Outdoor Pool. |
| Service cost <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities] | \$1.24 | \$2.36 | \$- | \$- | \$1.42 | The re-opening of Eltham Leisure Centre's aquatic facilities has resulted in the significant increase in attendance. Due to the closure of the aquatic component of the Eltham Leisure Centre during refurbishment works over the previous two years, overall attendance at aquatic centres had been considerably reduced. |
| Service Cost <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities] | \$6.08 | \$4.67 | \$3.69 | \$3.07 | \$4.21 | Overall attendance at non-aquatic facilities has also been impacted by the refurbishment works at Eltham Leisure Centre as the wet component is an attractor for the dry component as well. |
| Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population] | 4.18 | 2.56 | 0.80 | 0.94 | 2.21 | |

Case study

Eltham Leisure Centre Opening – supporting health and wellbeing

The largest infrastructure project in the shire's history was officially opened in February 2019.

The Mayor, Cr Karen Egan, stated in her opening speech that "the \$20.2 million redevelopment has already seen the most patronised community leisure centre in the shire get a whole lot more popular".

Through the significant investment by Council (\$13.4 million) and the State Government (\$6.8 million through the Interface Growth Fund and Sport and Recreation Victoria Community Facilities Funding Program – Better Pools),

the community has a new state of the art facility which includes a 25 metre pool, a leisure/learn to swim pool, a warm water program pool, as well as accessible amenities and change areas.

The centre also now includes an outdoor splash pad with interactive features including frogs that spray water, water fountains and a giant flower that cascades water onto those playing below. It is also zero-depth and accessible via a large access ramp, catering for all ages and abilities.

The centre recorded more than 645,780 visits in 2018-2019.



Case study

Civic Drive Playspace – a new place to explore and play

Two largely unused, grassy, open-air community assets have been transformed into a new precinct that can be enjoyed all year round for generations to come.

The new \$1.2 million Civic Drive Playspace in Greensborough was officially opened in March 2019, and in a fitting tribute, local school choirs performed to celebrate the recreational project they helped to create.

An amazing 25 metre-long mosaic-tiled snake decorated with over 4,000 ceramic tiles hand-painted by more than 1,000 local children has

pride of place in the playground. The creature was created by Eltham artist Mary-Lou Pittard, working with children from Diamond Valley Special Development School, Apollo Parkways Primary School, St Thomas the Apostle Primary School and Diamond Hills Preschool.

The precinct also includes tower play, boulder climbing units, accessible swing, ropes and totem pole course, flying fox, picnic and BBQ area, a tiered-seating amphitheatre that doubles up as a half basketball court and a community venue that can be hired out to local groups.



Council Plan Goal

Safe and healthy environments

Healthy and safe communities enjoy living in our iconic Green Wedge environment.

At a glance...

| Strategic indicators (20) | | Priority actions (38) | | Budget | |
|---------------------------|----|-----------------------|----|-------------|----------|
| Positive/Increasing | 11 | Completed | 15 | Income | \$8.60m |
| Negative/Decreasing | 5 | In progress | 23 | Expenditure | \$35.84m |
| Not applicable | 4 | | | | |

Core activities

- Amenity and noise control
- Biodiversity protection
- Building permits
- Building safety and regulation
- Bus shelters
- Bushfire recovery
- Car parking regulation and car parks
- Collection of waste, hard waste, green waste and recycling
- Energy efficiency programs
- Environmental planning and policy
- Graffiti control
- Heritage protection and memorials
- Land erosion and management works
- Land management advice
- Landfill rehabilitation
- Local roads, bridge and footpaths
- Management of conservation reserves
- Pedestrian crossings
- Planning investigations and compliance
- Planning permits and regulation
- Property maintenance and fencing
- Public health protection and regulation
- Public transport and main roads advocacy
- School crossing supervisors
- Septic tank regulation
- Street lighting
- Street tree planting
- Subdivision regulation and supervision
- Traffic control and road safety
- Water quality and conservation
- Weed and pest control

Interesting facts

10,462 dogs registered

3,016 cats registered

2,011 vaccines administered to children under five years

129 free influenza vaccines administered

6,670 indigenous plants planted within reserves

16 'Friends of' groups supported at 150 working bees

100 bushland and wetland reserves covering 496 hectares maintained

59 per cent of kerbside waste diverted from landfill

- 1,120,236 green waste collections
- 560,118 waste bin collections
- 560,118 recycling bin collections

338 kilometres of footpath maintained

12,142 signs maintained

884 disability parking permits issued

Safe and healthy environments

More interesting facts

643 inspections

of 373 registered food/health premises

4,021 parking

infringement notices issued

100 tobacco test purchases

conducted at 28 tobacco selling businesses

33 permits to alter or install a septic system were issued

686 decisions made on planning applications

(permits and amendments)

- 1,139 total planning decisions made
- 98 per cent of applications approved
- 62 per cent of planning decisions upheld at the Victorian Civil and Administrative Tribunal (VCAT)
- 157 Building Permit applications assessed
- 830 building inspections conducted

16 Fauna monitoring surveys conducted

with community volunteers

12 Environmental education events delivered

Five structured activities on council ovals –

football, cricket, lacrosse, baseball and soccer

Roads maintained –

- 311 kilometres of unsealed roads
- 394 kilometres of unsealed shoulders
- 462 kilometres of sealed roads
- 267 kilometres of line-marking maintained

Achievements

- Delivered over \$300,000 of improvement works to pedestrian, bicycle and horse riding trails.
- Developed the Council's *Bushfire Mitigation Strategy*.
- The *Domestic Wastewater Management Plan 2019* was adopted following community engagement and consultation.
- Developed the draft *Green Wedge Management Plan* and released for public consultation.

Challenges

- Ensure a balanced, consultative approach to the development of the *Green Wedge Management Plan* for the protection of the Green Wedge now and into the future.
- Continue to actively advocate for funding for traffic congestion and safety improvements, including addressing the future impacts of the North East Link on the shire's road network.
- Ensuring appropriate action is undertaken and advice provided in response to the SKM recycling issue.

The year ahead

- Present the *Green Wedge Management Plan* for Council adoption, and implement a program of actions in support of the adopted plan.
- Commence implementing a program of actions under the *Bushfire Mitigation Strategy*
- Develop a shire-wide *Housing Strategy* for Council adoption.
- Continue to implement the adopted *Nillumbik Health and Wellbeing Plan* and deliver initiatives in partnership with the community.

Case study

Issuing Building and Property Certificates – making it quicker and easier for our customers

Every year, Council receives over 900 requests for Building Information Certificates or Property Information Certificates. Respectively, these are requests to Council for:

- information regarding details of any building approvals over the previous 10 years (including any current enforcement that relates to the land)
- information regarding certain threats to the land or Melbourne Water assets (e.g. termite infestation, flooding, etc.) that are usually used by building designers and building surveyors as part of the design and approval process for new building works.

Through continuous improvement initiatives driven by Building Services staff, requests for Building Information Certificate (Reg. 51(1) of the *Building Regulations 2018*) and Property Information Certificate (Reg. 51(1) of the *Building Regulations 2018*) are now lodged and issued electronically via Council's website.

The digitisation of these requests means that our customers have a more convenient option to make applications online, with responses now generally provided to the customer's nominated email address within five business days.



Case study

Household recycling – keep working together to meet current challenges

Council is working with the State Government's Metropolitan Waste and Resource Recovery Group (MWRRG) to find an alternative for the shire's recycling following the closure of SKM Recycling, which affected several councils and about half of Victoria's recycling.

The broader, long-term issue requires a response from all levels of government. At this stage SKM, while temporarily closed, has indicated that it is

working to recommence receiving recycling. Council will continue to collect recycling bins as normal and encourages residents to continue their recycling efforts until this is resolved, it's important the community and Council keep working together to meet the current challenges.

The capacity of alternative facilities in the north of Melbourne is limited and the MWRRG is working to find alternative arrangements.

How we performed against the Council Plan

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

| Strategic indicator | Year | | | | | Result |
|---|------|------|------|------|------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Community satisfaction with fire prevention works | NM | 6.89 | 6.80 | 7.10 | 7.06 | ↓ |
| Community satisfaction with maintenance and repair of local sealed roads | 6.55 | 6.52 | 6.53 | 6.44 | 6.50 | ↑ |
| Community satisfaction with grading of unsealed roads | NM | NM | NM | NM | 5.81 | ? |
| Community satisfaction with Council meeting responsibilities to the environment | 7.71 | 7.41 | 6.88 | 7.06 | 7.05 | ↓ |
| Community satisfaction with fortnightly garbage collection | 7.81 | 7.36 | 7.43 | 7.58 | 7.90 | ↑ |
| Community satisfaction with fortnightly recycling collection | 8.12 | 7.61 | 7.91 | 8.00 | 8.28 | ↑ |
| Community satisfaction with weekly green waste collection | 8.05 | 8.00 | 8.14 | 8.13 | 8.43 | ↑ |
| Community satisfaction with drains maintenance and repairs | 6.83 | 6.78 | 6.22 | 6.31 | 6.40 | ↑ |
| Community satisfaction with footpath maintenance and repairs | 6.43 | 6.33 | 6.39 | 6.44 | 6.58 | ↑ |
| Community satisfaction with local traffic management | 6.29 | 6.01 | 6.10 | 5.98 | 6.09 | ↑ |
| Community satisfaction with parking enforcement | 6.66 | 6.42 | 6.12 | 5.99 | 6.73 | ↑ |
| Community satisfaction with maintenance and cleaning of shopping strips | 7.50 | 7.22 | 7.31 | 7.26 | 7.27 | ↑ |
| Community satisfaction with environmental programs and facilities | NM | 7.94 | 8.2 | 8.36 | 8.23 | ↓ |
| Community satisfaction with animal management | 7.42 | 7.30 | 7.11 | 7.10 | 7.23 | ↑ |

Source: 2019 Annual Community Survey

Note: NM denotes not measured in the reporting period

Scale from 0 (very dissatisfied) to 10 (very satisfied)

| Strategic indicator | Year | | | | Result |
|--|-----------|-----------|-----------|-----------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Remove more than 90% of reported graffiti within target time ⁽⁴⁾ | n/a | n/a | n/a | n/a | ? |
| Percentage of kerbside waste collections diverted from landfill ⁽⁵⁾ | 1,415,307 | 1,442,010 | 1,341,310 | 1,675,658 | ↓ |

Source: Council records

Increasing ↑ Decreasing ↓ No change → Trend unclear ?

Case study

Sportsground Irrigation Innovation – saving water, time and money and improving local amenity

Keeping our 21 sportsgrounds green and game-ready for the community requires a lot of water. Ensuring that the systems delivering the water are working optimally and that any issues are dealt with in a timely manner across all of our grounds is essential.

In 2018-2019, Council implemented digital reading of water consumption in irrigating our sportsgrounds to more efficiently manage our irrigation systems.

Our sportsground team installed the new irrigation controllers and flow sensors which

provide the ability to track the amount of water being used and access the irrigation systems remotely. While operating the Rainbird IQ system, Council staff are able to gather quality data on the water usage per oval, and use this as a benchmark when comparing usage in the future.

Council is now able to keep our sportsgrounds green, keep water costs low and attend to faults in a timely manner, ensuring our sportsgrounds are safe to use and available for the community to enjoy.

| Strategic indicator | Year | | | | Result |
|---|---------|---------|---------|---------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Annual immunisation coverage rate for age cohorts 12 – <63 months | 92.3 | 93.8 | 94.3 | 95.0 | ↑ |

Source: Nillumbik Health, Immunisation Annual Report 2015-16; Nillumbik Immunisation Service Annual Report 2017-2018; Banyule City Council Immunisation Service Data Report 2017-18; Banyule City Council advice on final 2017-2018 immunisation coverage rates. Banyule City Council advice on final 2018-2019 immunisation coverage rates.

| Strategic indicator | Year | | | | Result |
|---|---------|---------|---------|---------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Total number of 'Key Ages and Stages Activities' completed by MCH Service | 5,459 | 5,596 | 5,668 | 5,534 | ↓ |

Source: Nillumbik Maternal and Child Health Annual Report

| Strategic indicator | Year | | | | Result |
|--|---------|---------|---------|---------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Number of requests for new footpaths not responded to within 14 days ⁽⁶⁾ | n/a | n/a | 0 | 3 | ? |
| Number of requests for tree works not actioned within 12 months as at 30 June ⁽⁷⁾ | n/a | n/a | 20 | n/a | ? |

Source: Council records

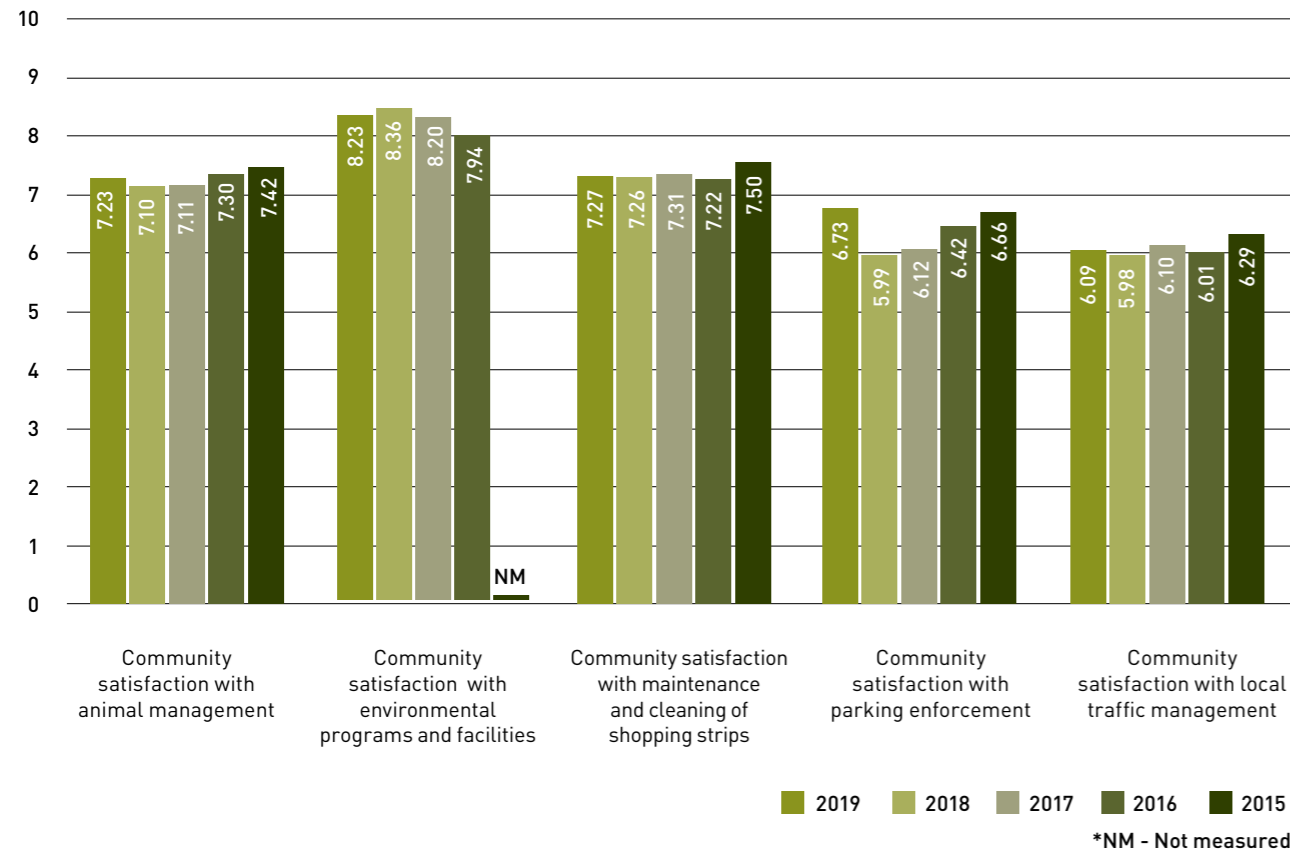
Increasing ↑ Decreasing ↓ No change → Trend unclear ?

- (4) Data is not currently measurable, however recent technology improvements should enable accurate recording of response times by our graffiti removal contractor in the 2019-20 financial year.
- (5) The reduction in diversion is due to drought conditions and the diversion of 322.92 tonnes recyclables to landfill due to shut-down of Council's kerbside recycling contractor. Nillumbik continues to be well above the State diversion targets.
- (6) Council continues to develop its ability to capture data for this measure.
- (7) Council continues to develop its ability to capture data for this measure.

Satisfaction with aspects of Council performance

Nillumbik Shire Council – Annual Community Survey

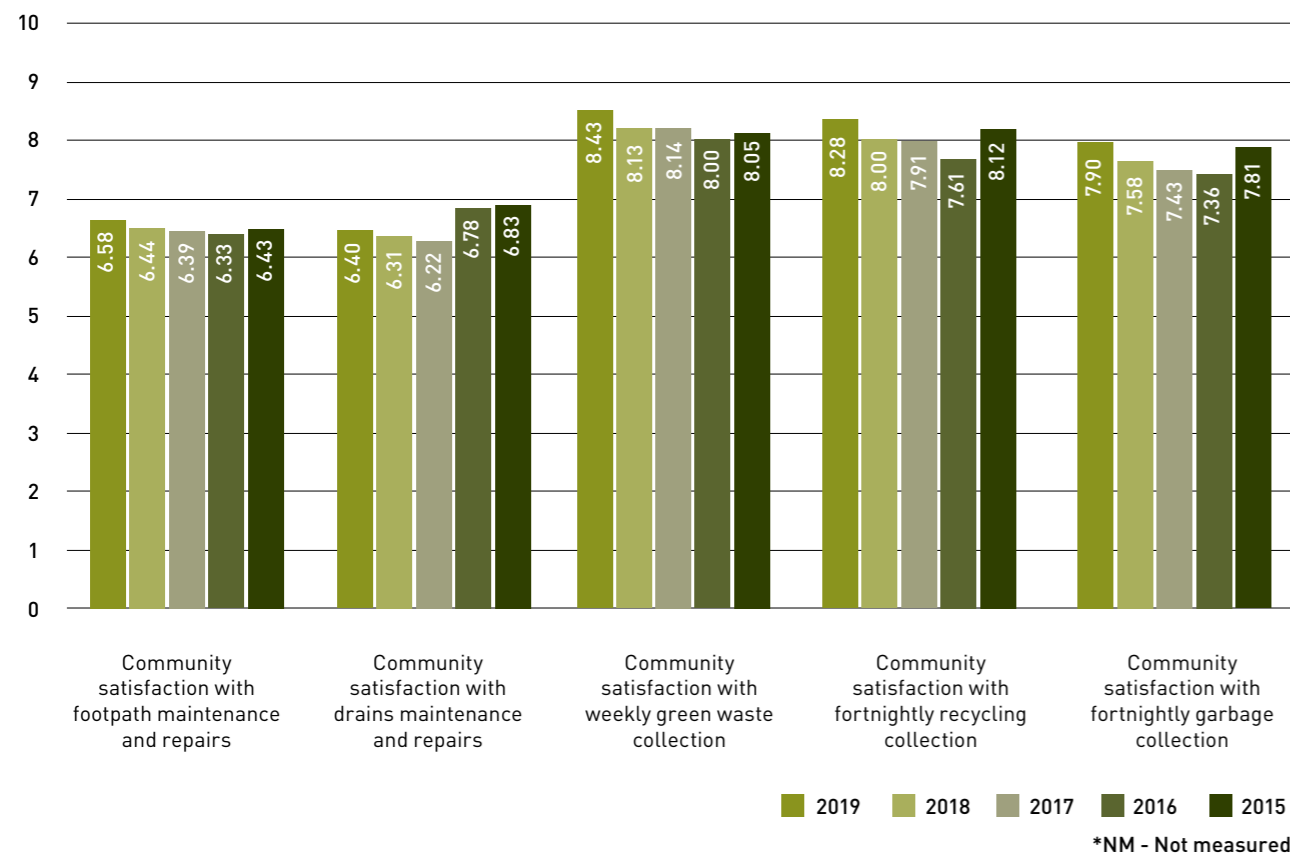
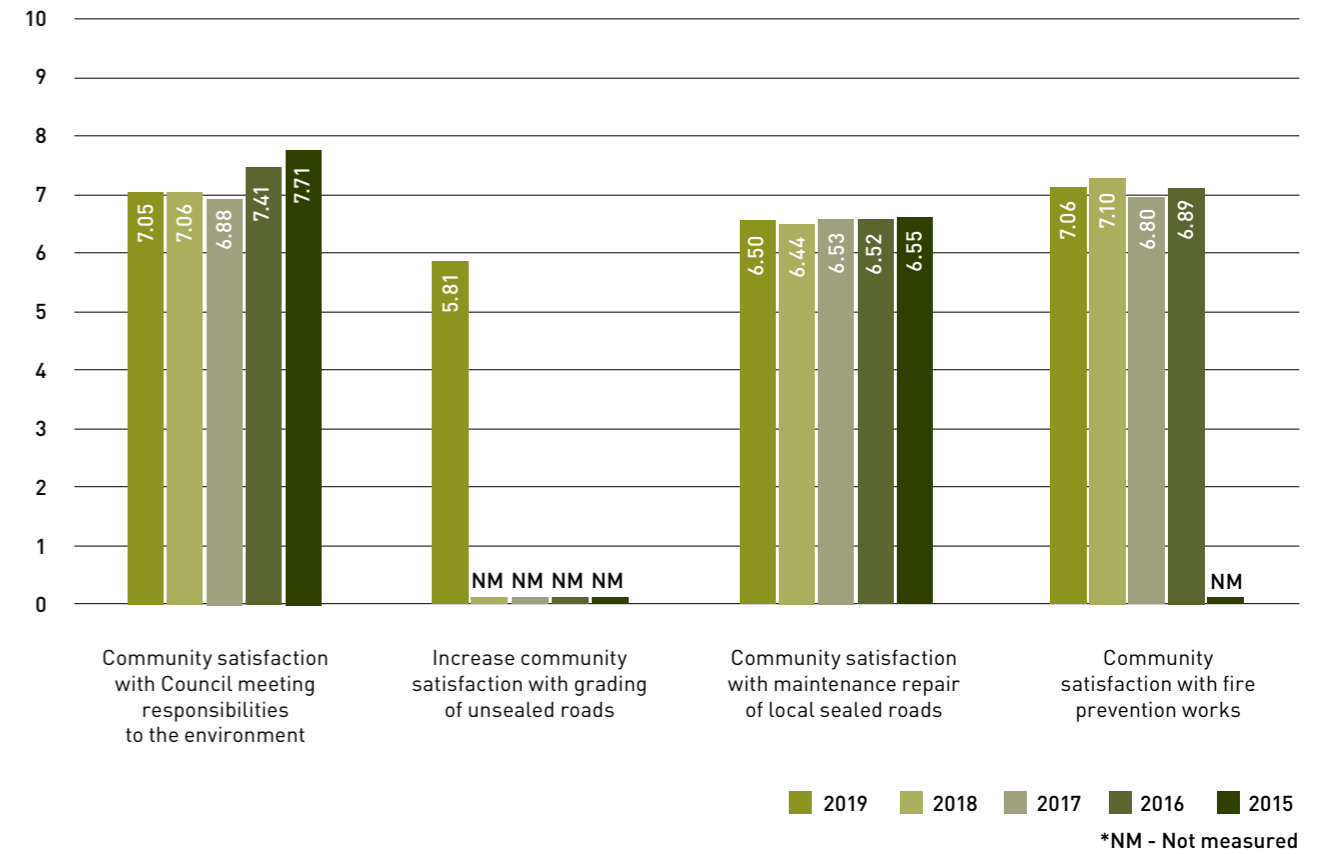
Scale from 0 (very dissatisfied) to 10 (very satisfied)



Satisfaction with aspects of Council performance

Nillumbik Shire Council – Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)



Case study

Animal management – looking after all of our residents

Nillumbik takes its obligations in relation to domestic animal management seriously, while also providing pet owners with the opportunity to celebrate and learn more about caring for their animal friends.

Nillumbik currently provides a pound service on behalf of Banyule Council, with over 50 per cent of dogs who stay in the pound coming from Banyule. This arrangement is a great way to work collaboratively across local government, but also helps to share the cost of running this facility.

The good news is that 92 per cent of impounded animals in 2018-2019 were reclaimed by their owners.

The annual Nillumbik Pet Expo in Diamond Creek has been hosted by Council for more than 20 years, making it a regular event on many people's calendars to encourage owners to celebrate their companions.

The October 2018 pet expo was attended by a record 3,500 people (and hundreds of our animal friends).

The expo is an excellent way to spread the message around responsible pet ownership, and to support local animal-related businesses and volunteer organisations through exposure to a wide audience.

Budget 2018-2019 funded services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

| Service | Description | Expenditure Revenue Net cost (\$'000) |
|--|---|--|
| Animal Management | The Animal Management service works under the required legislative framework to protect the welfare of animals and the community. | 840 902 (63) |
| Building Regulation | Building Services is responsible for administration and enforcement of certain parts of the <i>Building Act 1993</i> and Regulations. | 614 364 250 |
| 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. | 1,408 94 1,314 |
| 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. | 1,433 441 992 |
| Infrastructure Design, Construction and Transport | This service provides services for the whole community including design for capital works projects; 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. | 3,266 1,460 1,806 |
| Parking and Local Laws | This function provides car parking regulation, amenity protection and local laws permits for the whole Nillumbik community. | 639 397 242 |
| Parks and Reserves Maintenance | This service maintains parks, sportsgrounds, conservation reserves, street trees and roadsides across the shire. | 6,798 100 6,698 |
| Planning Enforcement | This service conducts planning investigations and promotes compliance with the Nillumbik Planning Scheme and permit conditions. | 275 13 262 |
| Property, Fleet and Asset Management | This service provides infrastructure asset management and planning, building maintenance and fencing, property management and fleet management. | 2,263 2,735 (472) |
| 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. | 7,912 732 7,180 |
| 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. It also incorporates Council response to dead animal collection, street cleansing and roadside litter collection. | 4,636 43 4,592 |
| School Crossings | This service funds school crossing supervisors for school children across the shire. | 831 233 598 |
| Statutory Planning | This service processes planning applications and subdivision applications. | 2,234 768 1,466 |
| Strategic Planning | This service provides land use planning and policy, planning scheme management, activity centre planning and heritage protection across the shire. | 1,968 35 1,933 |

Service performance indicators and measures

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of material variations.

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|---|---------|---------|---------|---------|---------|--|
| Animal management | | | | | | |
| Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests/ Number of animal management requests] | - | 1 | 1 | 1 | 1 | 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. |
| Service standard <i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected] x100 | 70.00% | 68.80% | 61.02% | 92.17% | 92.35% | Whilst there has been a slight increase in animals reclaimed to owners, there has been a 200 per cent increase in animals surrendered to the pound. Some of these reasons are due to unwell owners being unable to control the animal, and also family dynamics e.g. growing families and elderly. |
| Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Number of registered animals] | \$39.19 | \$37.64 | \$38.62 | \$49.52 | \$44.99 | The animal management service has seen reduced costs in 2018-2019 following long-term vacancies within the team leading to salary savings. The service is currently cost neutral based on registrations received. |
| Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | 5.00 | 8.00 | 8.00 | 5.00 | 1.00 | The prosecution that took place was a result of a barking dog. The annual results recorded are independent year on year, reflective of isolated incidents occurring within the shire. |

Case study

Fireworks ban – keeping our environment and the community safe

Council is living up to its promise to allay public fears of bushfire risk by committing to introduce a local law to give it the discretion to stop fireworks on private properties outside the Urban Growth Boundary.

Council received numerous requests to deal with this issue in 2018-2019, including a 1,250 signature petition to Councillors imploring them to stop firework permits from being issued during summer in the shire. The introduction of a fireworks local law will respond to amenity and fire based concerns around these sorts of

activities in sensitive rural environments. Under its current policy, Council can only grant firework permits on Council-owned land. Private landowners need permission from the Victorian WorkCover Authority which issues licenses to qualified pyrotechnic contractors, and the Country Fire Authority (CFA), which weighs up the fire risk. A CFA permit is not required during non-fire danger periods and all fireworks are automatically cancelled on total fire ban days.

It is expected that the new local law will be enacted in 2019-2020.

Service performance indicators and measures

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|--|----------|----------|----------|----------|----------|---|
| Food safety | | | | | | |
| Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints/ Number of food complaints] | - | 3.20 | 3.63 | 2.31 | 2.14 | A continued focus on implementing new procedures since 2018 have seen a continued decrease in the time taken to action food-related complaints from previous years. |
| Service standard <i>Food safety assessments</i> [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% | 100% | 100% | All 252 registered Class 1 and 2 premises received a food safety assessment in 2018-2019. |
| Service cost <i>Cost of food safety service</i> [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 | \$628.60 | \$469.43 | The cost of service per premise has significantly decreased this year following the inclusion of registered mobile and temporary food premises in the overall number of premises registered. |
| 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 | 92.00% | 100.00% | 100.00% | 95.24% | 94.12% | There was a slight decrease in the proportion of critical and major non-compliance notifications followed up during the reporting period. The measure can vary depending on timing of the report and follow up at the beginning and end of the calendar year. |

Service performance indicators and measures

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|---|--------|---------|--------|---------|---------|--|
| Roads | | | | | | |
| Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests/Kilometres of sealed local roads] x100 | 26.63 | 27.65 | 29.21 | 21.80 | 89.61 | Council has a revised method of capturing customer requests relating to sealed road requests. This is providing a more accurate representation of the quantum from the community. Although the statistics indicate a significant increase, this is representative of the new method of capturing and reporting on data and no material change to on the ground workload was experienced. Council received 414 requests relating to sealed local roads. |
| Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100 | 78.00% | 95.83% | 94.16% | 93.71% | 89.83% | The percentage of sealed local roads maintained at the adopted condition standard remained stable in 2018-2019. |
| Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed] | \$- | \$- | \$- | \$61.78 | \$- | There was no planned reconstruction of existing roads in 2018-2019. |
| Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed] | \$9.34 | \$14.57 | \$9.41 | \$9.40 | \$11.83 | Results include a mix of rural spray seal and urban asphalt applications. The increased trend indicates a focus for 2018-2019 in the urban areas. |
| 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 | 65.00 | 64.40 | 65.00 | In the 2019 Annual Community Survey, satisfaction with the maintenance and repairs of sealed local roads remained stable at 65 out of 100, compared to 64.4 out of 100 in 2018. This level of satisfaction remains categorised as 'good'. |

Service performance indicators and measures

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|--|------------|------------|------------|------------|------------|---|
| Statutory planning | | | | | | |
| Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application] | 90 | 92 | 112 | 93 | 96.5 | Resourcing due to delays in backfilling positions over the last financial year has led to a minor decline in the number of applications assessed within statutory timeframes. |
| Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days)/Number of planning application decisions made] x100 | 73.00% | 80.00% | 71.98% | 69.29% | 69.00% | Resourcing due to delays in backfilling positions over the last financial year has led to a minor decline in the number of applications assessed within statutory timeframes. |
| Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service/Number of planning applications received] | \$2,789.72 | \$2,545.67 | \$2,961.14 | \$2,981.73 | \$2,265.07 | A decrease in costs is due to an increased volume of applications in 2018-2019. The reported number of planning applications doesn't accurately reflect the true number of applications assessed in 2018-2019, due to the number of applications which are not reported through this process. |
| 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 | 36.00% | 70.00% | 63.16% | 80.00% | 61.54% | VCAT upheld less of Council's decisions in 2018-2019. Eight decisions were upheld out of 13, compared to 8 out of 10 in 2017-2018. |

Case study

Domestic Wastewater Management Plan

In 2018-2019, the Council's Environmental Health team completed a review of the *Domestic Wastewater Management Plan* (DWMP), resulting in the *2019-2023 DWMP* being adopted by Council in June 2019.

The DWMP forms a key part of Council's advocacy for the broad rollout of reticulated sewer to our townships, and the work done on the plan has led to Council successfully advocating for, and succeeding in having all 275 properties within the

Eltham Community Sewerage Program study area included in the soon-to-be commenced rollout of sewer in this area. Completion of the project is anticipated to be late 2020.

The DWMP presents a comprehensive action plan aimed at addressing the ongoing environmental impact of domestic wastewater systems on the shire and the legislative complexities of domestic wastewater.

Service performance indicators and measures

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|--|---------|---------|---------|---------|---------|--|
| Waste collection | | | | | | |
| Satisfaction <i>Kerbside bin collection requests</i> Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households] x1000 | 166.50 | 149.14 | 197.91 | 216.08 | 222.53 | 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. |
| Service standard <i>Kerbside collection bins missed</i> [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 | 9.25 | 11.75 | The number of missed bins reported has increased. The reported data for 2017-2018 and 2018-2019 is only for missed bins that have been completely missed by the collection crew. |
| Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins] | \$64.56 | \$66.83 | \$63.47 | \$69.81 | \$73.17 | The number of bins provided to residents (particularly additional bins) has increased and the cost to provide the service has remained approximately the same, resulting in an overall increase in service costs. |
| Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins] | \$35.08 | \$35.99 | \$30.85 | \$28.06 | \$56.04 | The cost of providing the recyclables collection service increased due to increased expense in processing kerbside recyclables. |
| 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% | 63.66% | 59.06% | Nillumbik residents diverted 11,627 tonnes of kerbside waste from landfill in 2018-2019, 2,013 tonnes less than 2017-2018. The reduction in diversion is due to drought conditions and the diversion of 322.92 tonnes recyclables to landfill due to shut-down of Council's kerbside recycling contractor. Nillumbik continues to be well above the State diversion targets. |

A local Nillumbik business preparing fresh produce



Council Plan Goal

A prosperous economy

A strong local economy that supports business growth, jobs and community wealth.

At a glance...

| Strategic indicators (4) | | Priority actions (16) | | Budget | |
|--------------------------|---|-----------------------|----|-------------|---------|
| Positive/Increasing | 0 | Completed | 11 | Income | \$0.07m |
| Negative/Decreasing | 1 | In progress | 5 | Expenditure | \$1.46m |
| Not applicable | 3 | | | | |

Core activities

- Activity centre planning
- Land use planning and policy
- Local business networks
- Local business training and seminars
- Local community and farmers' markets and festivals
- Tourism funding and support
- Township marketing schemes

Interesting facts

Four regional business breakfasts

with Northern Melbourne Business Achievement Awards

Three Australian Small Business Advisory Service workshops delivered in partnership with Melbourne Innovation Centre

A premier networking event delivered

in partnership with Nillumbik Tourism Business with 88 attendees

A major employment networking event delivered in partnership with Banyule Nillumbik Learning and Employment Network with 48 attendees

30 business mentoring sessions delivered

using Small Business Mentoring Service, plus 15 mentoring sessions held on the Small Business Bus across three locations

Three tailored social media workshops

delivered for Nillumbik traders association members

Annual program of business events delivered:

- Four Small Business Victoria workshops held with 48 participants
- Australian Tax Office workshop with 18 attendees
- Start Me, Grow Me Small business forum held with 35 attendees.

7,500 visitors

to 12 participating wineries as part of Nillumbik Open Cellars (Spring and Winter)

16 participating businesses

receiving more than 9,000 farm visits at Open Farm Day April 2019

A prosperous economy

Achievements

- Commenced development of a new *Nillumbik Economic Development Strategy*.
- Completed year 1 of the Yarra Ranges Tourism partnership, with deliverables including:
 - 25 Nillumbik Business Partners are working with Yarra Valley Tourism
 - Creation and launch of the visitnillumbik.com.au micro-site
 - Five visitor information carousels established in the shire
 - Nillumbik business partners were highlighted over 60 times in 23 Nillumbik specific posts, reaching a collective 85,900 consumers
- Commenced development of an *Equine Industry and Activity Plan*.
- Completion of the Nillumbik Digital Agora Youth Program, drawing an audience of 3,500.
- Hurstbridge Farmers Markets agreement in place with Diamond Valley Community Support Inc.

Challenges

- Continuing to identify opportunities for support and development of specific industries, business and employment opportunities in rural and activity centres within the shire.
- Implementation and delivery of township and strategic plans are contingent on external funds.

The year ahead

- Implement a program of actions to support an adopted *Nillumbik Economic Development Strategy*.
- Implement a program to support a new *Equine Industry and Activity Plan*.
- Develop a streetscape improvement plan for the Yarrambat township.
- Draft Eltham and Diamond Creek Structure Plans for Council adoption.
- A Regional Business Events grant has been secured to undertake research on micro/home-based businesses through pop up co-working spaces in the rural areas of the shire.
- Continue to partner with Yarra Ranges Tourism for marketing the region to visitors.
- Installation of visitor servicing infrastructure.
- Undertake the Better Business Approvals project and implement processes that will streamline the permit process for businesses.
- Launch the reinvigorated Nillumbik Prize for Contemporary Writing, the delivery of the progressive Nillumbik Digital Agora and the development of new performing arts opportunities, particularly through music.
- Implement a festivals and events funding program and develop a festivals and events attraction policy.

Case study

Putting Nillumbik on the map – encouraging tourists to visit the Green Wedge shire

Nillumbik, and the people who live and work here, have a lot to offer. Food, wine, art, culture and heritage and a plethora of open space all contribute to the shire being a popular tourist destination.

To help encourage tourism, the 2019 Visit Nillumbik map was launched earlier in the year and is a result of our partnership with Yarra Ranges Tourism. You can view the map online at visitnillumbik.com.au; a new portal for visitors to the region and another outcome of our partnership with Yarra Ranges Tourism. The website showcases various restaurants,

wineries, events, galleries and accommodation throughout the shire.

More than 200,000 copies of the map were printed and distributed throughout 2018-2019, both locally and internationally. The maps have been made available from Visitor Information Centres, Nillumbik Cellars in Diamond Creek, the Dark Horse Café in Watsons Creek, the Post Office Café in Hurstbridge, Montsalvat in Eltham and the Council Offices in Civic Drive. Various tourism businesses across the region also have them available to people enjoying all that the shire has to offer.



Case study

Nillumbik Digital Agora Youth Program – creating a modern place to gather

Digital Agora installation in Eltham

The Agora was a central public space in ancient Greek city-states with the literal meaning of the word being “gathering place” or “assembly”. The Agora was the centre of athletic, artistic, spiritual and political life.

In partnership with Banyule Nillumbik Tech School, the Eltham Chamber of Commerce and Industry, and supported by the State Government through Creative Victoria’s Creative Suburbs Program, the Nillumbik Digital Agora project develops and showcases digital and projection-based contemporary artworks in public spaces. Using contemporary creative media to generate artworks designed to exchange information, this project is a modern spin on the concept of the ancient Agora.

In August 2018, six secondary school students spent three days with a mentoring artist gaining new creative and technical skills in digital art techniques. Their mission was to create individual and collaborative projection-based artworks.

The concept and art medium of the Digital Agora project was also a new experience for the Nillumbik community. The artworks that were subsequently installed at two public spaces in Eltham were both intriguing and engaging, drawing over 2,500 people who came to the sites to view the artworks.

A further 1,000 people interacted with videos and other online posts about the project.

How we performed against the Council Plan

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

| Strategic indicator | Year | | | | Result |
|---|--------|------|------|------|--------|
| | 2016 | 2017 | 2018 | 2019 | |
| Percentage of local residents who work within Nillumbik | 22.30% | n/a | n/a | n/a | ? |

Source: Australian Bureau of Statistics (ABS) – Census 2016 – by place of work

| Strategic indicator | Year | | | | Result |
|---|------|------|------|------|--------|
| | 2016 | 2017 | 2018 | 2019 | |
| Number of commercial/industrial premises in Nillumbik | n/a | 986 | n/a | n/a | ? |

Source: Rates Department, Nillumbik SC

| Strategic indicator | Year | | | | Result |
|---|---------|---------|---------|---------|--------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Percentage of planning applications determined within required timeframes | 80% | 72% | 69% | 69% | ↓ |

Source: Planning Permit Activity Reporting System (PPARS)

| Strategic indicator | Year | | | | Result |
|---|-------|------|------|------|--------|
| | 2016 | 2017 | 2018 | 2019 | |
| Nillumbik shire's SEIFA score (index of advantage and disadvantage) | 1,093 | n/a | n/a | n/a | ? |

Source: ABS 2033.0.55.001 Socio-Economic Indexes for Australia (SEIFA), 2016

Increasing ↑ Decreasing ↓ No change ↔ Trend unclear ?

Case study

Northern Business Achievement Awards – recognising Nillumbik's business high achievers

Two Nillumbik businesses walked away winners at the 2019 Northern Business Achievement Awards (NBAA). A partnership of industry, education and local and state government, the awards recognise the business achievements of small to medium enterprises and encourage growth, excellence and competitiveness.

The NBAA Customer Service Award went to Doreen-based Balashi Flowers and Eltham's The Project Office and Enesys received the Sustainability and Environment Award.

Balashi Flowers is a family agribusiness growing flowers for public sale, while The Project Office and Enesys specialises in engineering and project management services with a focus on environmental solutions. In another great result, Andrew Campbell from The Optimal Health Lab in Eltham received Nillumbik's Young Business Achiever Award for 2018.

The awards are presented annually and bring together business nominees from across the six northern councils.

Budget 2018-2019 funded services

The following statement provides information in relation to the services funded in the 2018-2019 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 focuses on growing the local economy through providing support to local business networks, traders associations and individual businesses; delivering business events and training and supporting tourism development and promotion for the Nillumbik region. | 1,456 71 1,385 |

Case study

Home Harvest Picnic 2019 – a feast of Nillumbik's finest local produce

There are many proud local food growers in the community and on Sunday 31 March 2019, Nillumbik celebrated the autumn harvest and its local produce at the Council hosted 2019 Home Harvest Picnic at Edendale Community Environment Farm in Eltham. Over 300 people attended and shared the delicious food, festive music and sunshine.

The event was made possible through a partnership between Nillumbik Shire Council, Banyule City Council, Local Food Connect, Nillumbik Health and Eltham High School.

This community meal, complete with pre-prepared picnic baskets for purchase, was held on the lawns of Edendale with a backdrop of live music, various produce displays and sustainable food information sessions.

Eltham High School catering students, under the guidance of a professional Chef, assembled the mostly home grown and donated produce for the crowds to enjoy in the shared picnic atmosphere.

Home Harvest Picnic 2019, Edendale Community Environment Farm, Eltham





Council Plan Goal

Responsible leadership

Collaborative and consultative leadership that builds trust and makes the best possible use of available resources to the benefit of all in the pursuit of excellence.

At a glance...

| Strategic indicators (9) | Priority actions (23) | Budget |
|--------------------------|-----------------------|-------------------------|
| Positive/Increasing | 8 Completed | 18 Income \$4.625m |
| Negative/Decreasing | 0 In progress | 5 Expenditure \$16.350m |
| Not applicable | 1 | |

Core activities

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

Interesting facts

Three citizenship ceremonies

held including Australia Day

100 media releases and 71 e-bulletins issued

1,057,811 web pages viewed

- 230,846 website users
- 6,384 Facebook likes
- 2,466 Twitter followers

23,279 rates notices issued

50,652 phone calls

into the customer service queue

47 seconds – the average speed of answering customer enquiries

15,605 visits to the front counter

which included processing 8,491 payments

21,185 customer service requests logged

Responsible leadership

Achievements

- Maintained rates at 0.25 per cent below the state-wide rate cap.
- Recorded overall positive and improved results in the Annual Community Survey.
- Council's customer service was rated in the top five of 145 organisations, and in the top five councils.
- Completed and launched Council's first Customer Experience Strategy – *Nillumbik Customer First*.
- Council's vision, mission and values were re-scoped to ensure shared clarity of purpose across all staff.
- Completed five strategic service reviews to ensure that service provision remains relevant and responsive to community needs.
- Completion of the tablet rollout to all staff replacing all desktop and laptop devices, providing a platform for the organisation for digital transformation.
- Nillumbik, along with the northern region group of Councils, were successful in gaining a smart cities grant that will provide a Smart Cities network to drive the first steps toward a smart cities transformation.
- Development of a list of IT roadmap initiatives that will lay the digital foundations that support the customer-centric approach to business transformation.
- Successfully completed 2,233 service desk requests, received and completed 2,209 calls for IT support.

Challenges

- Continuing our low rating strategy and reducing debt whilst maintaining service levels.
- Developing internal management capability to ensure effective delivery of Council Plan actions.
- Sourcing alternate funding streams to maintain Council's infrastructure portfolio to meet the future needs of the community.
- Ensuring outdated technology is updated or replaced to maintain Council's ability to work efficiently and provide effective services.
- The ability to deliver the digital initiatives within a timeframe that would provide the organisation with immediate efficiency gains.
- The ever and fast changing digital landscape that changes user expectation on what IT should be delivering.
- A high level of staff turnover impacting on knowledge transfer and retention.
- Increased Freedom of Information requests resulting from 'no win-no fee' schemes.

The year ahead

- Commence implementation of a new asset management system rollout to support improved service delivery.
- Continue to advocate to other levels of government on important policy issues that affect the Nillumbik community.
- Commence implementation of high priority actions from the *Digital Transformation Strategy*.
- Implement year 2 actions of the *Nillumbik Customer First Strategy*.



The *Nillumbik Customer First* Strategy was launched

How we performed against the Council Plan

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

| Strategic indicator | Year | | | | | Result |
|---|------|------|------|------|------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Community satisfaction with the overall performance of Council | 6.90 | 6.69 | 6.15 | 6.46 | 6.77 | ↑ |
| Community satisfaction with governance and leadership | 6.91 | 6.72 | 6.00 | 6.40 | 6.72 | ↑ |
| Community satisfaction with representation, lobbying and advocacy | 6.80 | 6.59 | 5.87 | 6.26 | 6.45 | ↑ |
| Community satisfaction with customer service | 7.52 | 7.24 | 6.81 | 7.24 | 7.41 | ↑ |

Source: 2019 Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)

Increasing ↑ Decreasing ↓ No change ⇌ Trend unclear ?

How we performed against the Council Plan

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

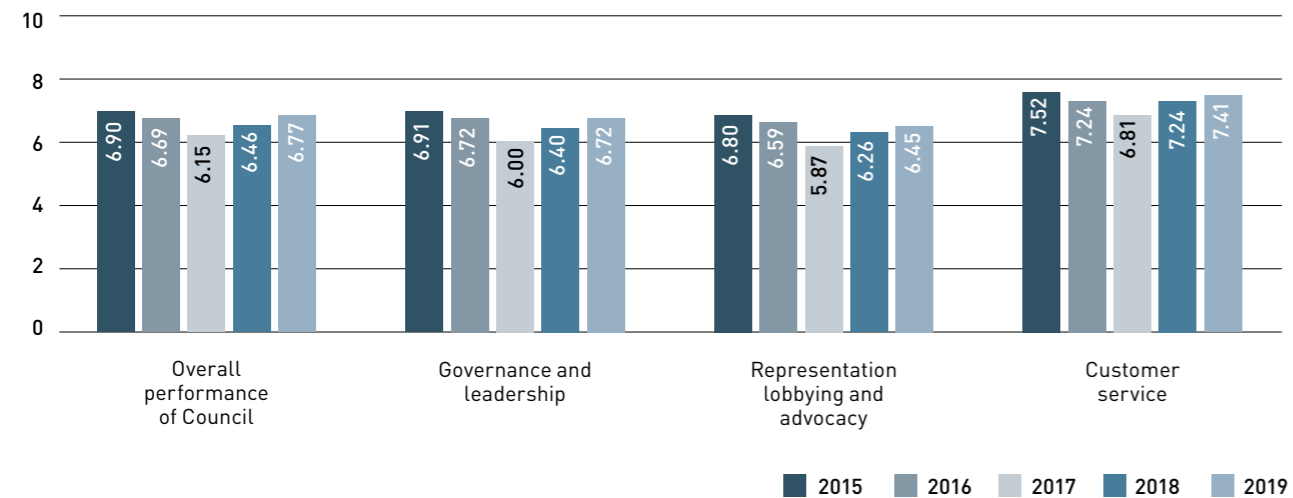
| Strategic indicator | Year | Comments |
|---|---------|--|
| | 2018-19 | |
| Achieve the Auditor-General's 'green light' target for financial sustainability | N/A | Results will be released by VAGO in October 2019. |
| Achieve budgeted asset sales each year | ☑ | Budgeted assets intended for sale were made available for sale during the year. |
| Reduce interest costs each year | ☑ | Interest costs are reducing; this is reflective of the loan portfolio reducing in overall balance. |
| Reduce net debt (outstanding loan principal, less debt reduction reserve fund), with a target of zero by 2020-2021 | ☑ | Progress is being made with overall loan portfolio balance reducing and funds being set aside in the debt reserve. |
| Achieve 100% compliance with the Governance and Management checklist required by the <i>Local Government Act 1989</i> | ☑ | |

Achieved ☑ Partly achieved ☐ Not started ✗

Satisfaction with aspects of Council performance

Nillumbik Shire Council – Annual Community Survey

Scale from 0 (very dissatisfied) to 10 (very satisfied)



Council's Community Transport Bus provides a valuable service throughout the shire

Budget 2018-2019 funded services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

| Service | Description | Expenditure Revenue Net cost (\$'000) |
|-----------------------------------|--|---------------------------------------|
| Communications | The Communications function 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. | 1,082 0 1,082 |
| Customer Service | This service provides frontline customer service, cashier and reception services for Council for the benefit of all residents, ratepayers and visitors. The team is also responsible for driving key changes in behaviour and delivering programs of value to the community in driving customer experience improvements. | 625 4 621 |
| Finance | This function provides internal finance and procurement services, rates and property valuations, audit, risk management and insurance. | 3,663 4,302 639 |
| Governance | This service 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. | 3,632 61 3,571 |
| Information and Technology | This service provides information technology services and solutions, records management, online services and telecommunications. | 3,487 1 3,486 |
| Organisation 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. | 3,861 256 3,605 |

Customer Experience

According to the 2019 Annual Community Survey, more than a third of respondents (37.1 per cent, down 8.8 per cent on the 2018 figure) contacted Council within the last year.

The main forms of contact were by telephone (56.5 per cent, down 6.6 per cent on 2018), visits in person (16.8 per cent) and email (10.9 per cent).

Following on from last year's drive to understand our customers' expectations and needs, Council adopted its first customer experience strategy called *Nillumbik Customer First* in March 2019.

Developing the strategy was a significant undertaking and the past 12 months has seen unprecedented investment in customer experience to understand, design and ultimately implement *Nillumbik Customer First*.

Case study

Resourcing and upskilling staff to best serve the community

Technology is rapidly changing and the requirement from our community is that we provide efficient and effective ways to meet service expectations in a timely manner.

Council's focus on digital transformation to be able to deliver a more seamless 'hassle free' service to the community was demonstrated in 2018-2019 by the successful deployment of new laptops to all staff.

The new laptops form the technological foundations that will enable the organisation to deliver customer centric services to the Nillumbik community.

Being unbound from a workstation gained immediate efficiencies including greater flexibility and mobility for staff and the organisation becoming less paper dependent overall.

The new digital network also allows staff to access the corporate applications and network remotely.

A number of key activities commenced as part of the new strategy, including:

- continuing the roll-out of customer service training across the whole of the organisation, which was completed in November 2018
- establishing a regular customer experience benchmarking survey to check the progress of our strategy implementation and allow customers an opportunity to provide feedback on our performance
- conducting our first internal customer experience survey, with more than 250 staff having a say on how staff believe we fare with regards to customer service
- introduced Council's first Call Quality Benchmarking System for customer experience in the form of Mystery Shopping calls. This allows council to benchmark our customers experience against other councils.
- continuing to analyse user feedback from Council's website, giving users a continued opportunity to provide suggestions for improvement.

Our aspiration in 2019-2020 is to continue this good work and embed these programs, as well as expand a number of initiatives from the *Nillumbik Customer First Strategy*. These include:

- agreeing on how our customer commitments fit into our values and behaviours framework and suggested approach on how to apply to 2019-2020 business plans
- benchmarking and adopting Council's Customer Experience Policy and Standards
- developing Council's Customer KPI Framework with links to 2019-2020 business plans and individual performance plans
- drafting Council's Complaint Policy and Process
- continuing to implement customer experience training for new staff
- expanding the Mystery Shopping program as part of our quality benchmarking focus
- continuing to benchmark our current customer performance
- further reduce existing outstanding customer requests through all customer channels



Our friendly customer service team at the Civic Centre in Greensborough

Case study

Nillumbik's first 'Customer First' Strategy

What does it mean to be a customer focused service provider? In 2018-2019, Council dedicated a lot of time and energy to answer this question.

Feedback was collected from customers about what they valued and what was most important to them. This was completed via a customer experience survey of residents and a customer focus group with members of the community. The results helped create our inaugural *Nillumbik Customer First Strategy*, which explains where we are now, our future-state goals and how we will achieve them.

It highlighted the four commitments to our customers; empathetic, simple, effective and consistent. The commitments align with our efforts, thinking and aspirations to deliver a great experience for our customer every day. The values and behaviours the community can expect from Council have been articulated and will drive the behaviour our customers have told us is important to them when dealing with Council.

Following the extensive development and consultation process, the new strategy was adopted by Council in March 2019.

One of the key pillars of the *Nillumbik Customer First Strategy* is to constantly improve the interaction and customer experience of the community by benchmarking ourselves against the best in the industry.

In June 2019, an independent quality benchmarking company, under the guise of a mystery shopper, assessed the customer service team on their phone skills from call introduction, knowledge and information flow through to call closure. Nillumbik Shire Council achieved second place out of 145 organisations (including 40 councils) for excellent customer service.

Overall, in the financial year ending 30 June 2019, Nillumbik Shire Council ranked in the top five for all councils for its excellent customer service.

Council remains committed in 2019-2020 and beyond to providing its residents and community with a great customer experience.

Service performance indicators and measures

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of material variations.

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|--|--------|--------|--------|--------|--------|---|
| Governance | | | | | | |
| Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100 | 15.00% | 15.20% | 13.28% | 14.00% | 13.92% | Council made 316 resolutions at 28 Council and Committee meetings, of which 44 were made in a meeting closed to the public under section 89(2) of the <i>Local Government Act 1989</i> . 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 <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement] | 68.30 | 66.20 | 58.00 | 63.30 | 63.50 | Satisfaction with Council's community consultation and engagement improved slightly in 2018-2019 (up 0.2 percentage points), continuing the upward trend since 2016-2017. |
| Attendance <i>Councillor attendance at Council meetings</i> [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 | 92.00% | 93.33% | 97.96% | 94.90% | 99.16% | Council held 12 Ordinary meetings and five Special meetings in 2018-2019. Only one absence was recorded against a possible 119 attendances. |






The new pool at the Eltham Leisure Centre

Service performance indicators and measures

| Service/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|-------------|---|
| Governance | | | | | | |
| Service cost <i>Cost of governance</i> [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 | \$39,726.43 | \$43,461.99 | The cost of governance includes training, conference and seminar costs, travel, mobile, internet, Councillor allowances and other miscellaneous expenditure. Total cost increased slightly in 2018-2019, primarily due to additional voluntary training undertaken as part of Councillor duties. |
| 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 | 57.00 | 62.60 | 64.50 | Satisfaction with Council decisions improved slightly by 1.9 percentage points) in 2018-2019, returning to the level of satisfaction in earlier years, and continuing the upward trend since 2016-2017. |




Major capital works



| Project Name | Description | Budget | Progress |
|--|--|---|---|
| Civic Drive Precinct upgrade  | Upgrade of the community facilities at Civic Drive including passive spaces and Outdoor Performance Centre. Works completed: <ul style="list-style-type: none"> levelling of the southern space, installation of irrigation system, planting of new grass and new trees construction of path network installation of new playground and exercise equipment in the northern space adjacent to the Outdoor Performance Centre construction of new half-court basketball court in front of the Outdoor Performance Centre and path network installation of two shade sails. | Total budget: \$1,285,000 Council: \$335,000 Growing Suburbs Fund: \$950,000 | <ul style="list-style-type: none"> design work completed in July 2018 construction commenced in September 2018 playground open in December 2018 works completed in June 2019. |
| Diamond Creek Netball Pavilion redevelopment  | Redevelopment of the Diamond Creek Netball Pavilion and expansion of the car park. The project includes: <ul style="list-style-type: none"> demolition of the existing pavilion design of a new pavilion that is compliant to Netball Victoria facility standards and agreed club requirements a new social/community space modification and expansion of the existing car park. | Total budget: \$3,106,025 Council: \$200,000 Growing Suburbs Fund: \$2,826,025 DC Netball Association contribution: \$80,000 | <ul style="list-style-type: none"> design consultant appointed February 2018 Melbourne Water's approval received in March 2019 design completed: July 2019 construction to be commenced: November 2019 expected completion date: December 2020. |
| Diamond Creek Trail extension  | Extending the current segment of trail, this project represents one of the highest priority trail infrastructure projects in the region. It will expand the network with connections to trails throughout the shire and Melbourne CBD via the Yarra Main Trail. This project involves two stages. Stage one includes: <ul style="list-style-type: none"> land acquisition design and construct of approximately 3.5 km of footpath, boardwalks and three bridges from Diamond Creek to Wattle Glen. Stage 2 includes: <ul style="list-style-type: none"> design and construction of 4.5 km of footpath, boardwalks and five bridges from Wattle Glen to Hurstbridge. The recreation trail will be suitable for horse riders, cyclists and pedestrians. | Estimated total cost: \$16,000,000 Council: \$4,000,000 State Government Active Transport Fund: \$4,000,000 Funding shortfall: \$8,000,000 | <ul style="list-style-type: none"> Planning Scheme Amendment gazetted in December 2017 Council secured \$4 million in the 2018 State budget land acquisition completed design and construct tendering to be released in September 2019 Stage 1 works estimated to be completed by June 2020 Stage 2 works subject to funding. |

Above, left to right: Civic Drive Precinct upgrade; Diamond Creek Netball Pavilion redevelopment; Diamond Creek Trail extension






| Project Name | Description | Budget | Progress |
|--|--|---|--|
| Diamond Valley Sports and Fitness Centre redevelopment  | This project will redevelop the Centre into a modern, fit-for-purpose, accessible facility that meets the standards of Council, the Victorian Government and peak sporting bodies. The project includes three stages: Stage 1A: priority works (lift from ground level to court level) Stage 1B: mid-level change room upgrade/ refurbishment Stage 2: <ul style="list-style-type: none"> new, larger entrance including reception, foyer and café new athlete/referee change facilities and increased storage improved accessible facilities to assist with pedestrian traffic flow improved administration and social space improved first aid facilities court compliance works to court five. Stage 3: three additional netball-compliant courts next to court five. | Total budget: \$14,500,000 Council: \$4,000,000 Growing Suburbs Fund: \$2,500,000 Better Indoor Stadiums Fund: \$8,000 | <ul style="list-style-type: none"> Masterplan completed in June 2018 Stage 1A works initiated in October 2018 lift installed and commissioned in May 2018 Better Indoor Stadium \$4 million fund – confirmed July 2019 detailed designs for Stage 1B completed. detailed designs for Stage 2 and 3 in progress project completion expected by March 2022. |
| Diamond Creek Regional Playspace  | This project involves the design and construction of five new play spaces located in Diamond Creek, south of the bowling club, between the railway line and the Diamond Creek. The community will contribute to the project with the installation of a totally refurbished tram at the south end of the park. The tram will become a focal point as a community-managed coffee shop. Works include five play spaces (junior and senior); landscaping; parking; travel paths; a digital maze; electric barbeques, toilets, picnic shelters and a refurbished Yarra Trams tram as a coffee shop. | Total budget: \$2,500,000 Growing Suburbs Fund: \$2,500,000 | <ul style="list-style-type: none"> Masterplan completed in June 2019 community consultation from June to July 2019 design and construct tender to be released in September 2019 works expected to commence in November 2019 project completion date: June 2020. |
| Edendale Farm works  | Construction of: <ul style="list-style-type: none"> new kiosk, nursery shed and point of sale teaching shelters decking area additional amenities. | Total budget: \$895,000 Council: \$395,000 Growing Suburbs Fund: \$500,000 | <ul style="list-style-type: none"> works completed in August 2018. |

Above, left to right: Diamond Valley Sports and Fitness Centre redevelopment; Diamond Creek Regional Playspace; Edendale Farm works








| Project Name | Description | Budget | Progress |
|--|--|--|---|
| Eltham Central Pavilion redevelopment  | Project includes: <ul style="list-style-type: none"> demolition and reconstruction of existing change rooms and toilets extension and internal refurbishment of the existing social/community space. | Total budget: \$3,652,000 Council: \$2,452,000 Growing Suburbs Fund: \$1,200,000 | <ul style="list-style-type: none"> design consultants appointed February 2018 works commenced December 2018 change rooms building works to be completed October 2019 social rooms to be completed early April 2020. |
| Eltham Leisure Centre redevelopment  | Major redevelopment of the Eltham Leisure Centre, with a new state-of-the-art aquatic facility incorporating: <ul style="list-style-type: none"> a 25m x 15m pool, leisure water/learn to swim pool and a warm water program pool associated concourse and spectator areas sauna, steam room and spa facilities necessary amenities and change areas ancillary spaces such as first aid facilities and storage areas integration with existing food and beverage/wet lounge areas other rooms such as plant rooms, balance tank areas and consulting rooms. | Total budget: \$20,200,000 Council: \$13,400,000 Growing Suburbs Fund: \$3,800,000 Community Facility Funding Program (Better Pools): \$3,000,000 | <ul style="list-style-type: none"> construction commenced in November 2016 works completed in September 2018. |
| Eltham Lower Park change rooms redevelopment  | Redevelopment of four change rooms to achieve a female friendly facility. Works included: <ul style="list-style-type: none"> four unisex change rooms shower cubicles unisex toilet cubicles (including ambulant facilities) accessible change facility umpires change room. | Total budget: \$275,500 Council: \$103,000 Sport and Recreation Victoria funding: \$100,000 Club contributions: \$72,500 | <ul style="list-style-type: none"> design consultant appointed in June 2018 construction works commenced November 2018 project completed June 2019. |

Above, left to right: Eltham Central Pavilion redevelopment; Eltham Leisure Centre redevelopment; Eltham Lower Park change rooms redevelopment






| Project Name | Description | Budget | Progress |
|---|---|--|---|
| Eltham North Adventure Playground rebuild  | The Eltham North Adventure Playground was destroyed by fire on 16 December 2017. This project involved bringing this iconic and much loved community asset back to the community. This project included: <ul style="list-style-type: none"> demolition of the destroyed playground and making the site safe rebuild the playground with community feedback and consultation prior to construction. | Total budget: \$907,573 Council: \$150,000 State government grant: \$50,000 Bendigo Bank contribution: \$16,444 Insurance settlement: \$691,129 | <ul style="list-style-type: none"> demolition completed in January 2018 design and construct contract awarded in May 2018 construction works commenced in August 2018 works completed in December 2018. |
| Eltham North Reserve Pavilion upgrade  | Project includes the upgrade of the existing pavilion and hall facilities for the soccer club, cricket club, scouts and community hall. Works include: <ul style="list-style-type: none"> demolition of the existing sports pavilion construction of new pavilion facilities modifications to the scout storage areas (improvements to the foyer, kitchen and toilets that service the community hall) car parking. | Total budget: \$4,696,416 Council: \$2,026,416 State Government Election Commitment: \$2,000,000 Club contributions: \$520,000 Other: \$150,000 | <ul style="list-style-type: none"> construction works commenced in August 2018 completion of cricket pavilion expected September 2019 completion of soccer pavilion expected November 2019. |
| Marngrook Oval Pavilion development  | Development of a new pavilion to provide a new home for female and junior-focussed seasonal sporting clubs. Works include: <ul style="list-style-type: none"> four change rooms storage, public toilets, first aid room umpires room and kiosk. | Total budget: \$1,626,908 Council: \$1,210,258 Growing Suburbs Fund: \$416,650 | <ul style="list-style-type: none"> construction works commenced September 2018 estimated completion date October 2019. |

Above, left to right: Eltham North Adventure Playground rebuild; Eltham North Reserve Pavilion upgrade; Marngrook Oval Pavilion development





| Project Name | Description | Budget | Progress |
|---|---|---|--|
| Research Park Pavilion redevelopment  | <p>This project involves the redevelopment of the existing pavilion to improve building accessibility and to meet current building standards in relation to universal design and sporting association standards.</p> <p>The new change facilities will also cater for the increasing number of female members playing cricket and football at the clubs and encourage more females to participate in sport.</p> <p>Upgrading the social rooms will provide a new meeting space for wider community use.</p> | <p>Total budget: \$3,035,000</p> <p>Council: \$1,925,000</p> <p>Sporting Clubs: \$160,000</p> <p>Sports and Recreation Victoria Female Friendly Facilities Grant: \$100,000</p> <p>Government Election Commitment: \$200,000</p> <p>Growing Suburbs Fund: \$650,000</p> | <ul style="list-style-type: none"> • construction works commenced in July 2018 • estimated date of completion: September 2019. |
| Susan Street Reserve Pavilion upgrade  | <p>The Susan Street Reserve Pavilion scope of works included:</p> <ul style="list-style-type: none"> • redevelopment of existing change-rooms to create two female-friendly change rooms with ambulant accessibility • reconfiguration of referee change room to include female-friendly cubicles • public toilets to be designed to be female-friendly, contemporary accessibility and enhance safety and comfort. | <p>Total budget: \$315,000</p> <p>Council: \$95,000</p> <p>Sport and Recreation Victoria funding: \$100,000</p> <p>Club contributions: \$80,000</p> <p>Other funding for disability access work: \$40,000</p> | <ul style="list-style-type: none"> • construction commenced in December 2018 • project completed in June 2019. |
| Wattle Glen Pavilion extension  | <p>This project provides for the extension of the existing Wattle Glen Pavilion to provide female-friendly change facilities and construction of a new player change facility adjacent to the existing pavilion.</p> <p>The player change facility includes: two female-friendly change facilities and amenities, umpire change facilities, accessible change facilities, first aid and club storage.</p> <p>The player change facility connects into the existing pavilion's deck.</p> | <p>Total budget: \$750,000</p> <p>Council: \$650,000</p> <p>Sports and Recreation Victoria Female Friendly Facilities Grant: \$100,000</p> | <ul style="list-style-type: none"> • construction completed March 2019. |

Above, left to right: Research Park Pavilion redevelopment; Susan Street Reserve Pavilion upgrade; Wattle Glen Pavilion extension



Diamond Creek locals with the tram being refurbished to a coffee shop

Case study

Diamond Creek Regional Playspace – a commitment to build more fun for all ages and abilities

Social play is important for people of all ages, and play has an important role in fostering inter-generational interaction.

Regional play spaces that include accessible features, paths and equipment and picnic facilities provide the best opportunity to cater for inter-generational and all-abilities play and social activities.

After a successful application for \$2.5 million through the Growing Suburbs Fund, Council is committed to constructing a playspace in the Diamond Creek Linear Reserve.

This project will address a critical gap in an area that has a rapidly diversifying community and demographic structure.

Inter-generational households and reverse inter-generational care (eg grandparents looking after grandchildren, teenage siblings caring for younger siblings) is increasing which, until now, Council has not been able to address in terms of destination play spaces and social environments.

The proposed project scope includes a number of individual projects, as well as incorporating a community organised W-Class Tram Refurbishment Project to be operated by the Diamond Creek community as a coffee shop.

Council expects that the new playspace will be completed in 2019-2020.



About Nillumbik

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 64,941 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities.

Almost 25 per cent of Nillumbik's residents are aged 0-17 years and almost 20 per cent are aged 60 years and over. Our community has a high rate of employment with 98 per cent of our residents employed either full or part time. Some 70 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 compared to greater Melbourne. Overall, 47 per cent of total families were couple families 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 slightly higher proportion of couples without children (24.7 per cent) compared to 22.9 per cent for greater Melbourne.

In 2016, there were 20,235 separate houses in the area; 1,400 medium-density dwellings and 25 high-density dwellings. 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 10.1 per cent in the Greater Melbourne area 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.

The Nillumbik Green Wedge covers 91 per cent of the total area of the shire. Kinglake National Park, reserves 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 including the tiny villages of Smiths Gully, Watsons Creek, Arthurs Creek, Strathewen, Pantan 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.

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. Council continues to work with the Nillumbik Reconciliation Group and the Wurundjeri Tribe Council to develop commitments and practices toward reconciliation through implementation of Council's *Health and Wellbeing Plan 2017-2021*.

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.



Local students came together at the Council Civic Centre on Reconciliation Day, May 2019

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-leafed and red box eucalypts and occasional stands of ironbark still remain on the hillside, ridge tops and along the creeks.

The fertile soils of an old volcano at Kangaroo Ground offer rich farming land. 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 around 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.

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.

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. The shire also has a strong performing arts community.

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 *Blacksmiths Tree*, Strathewen



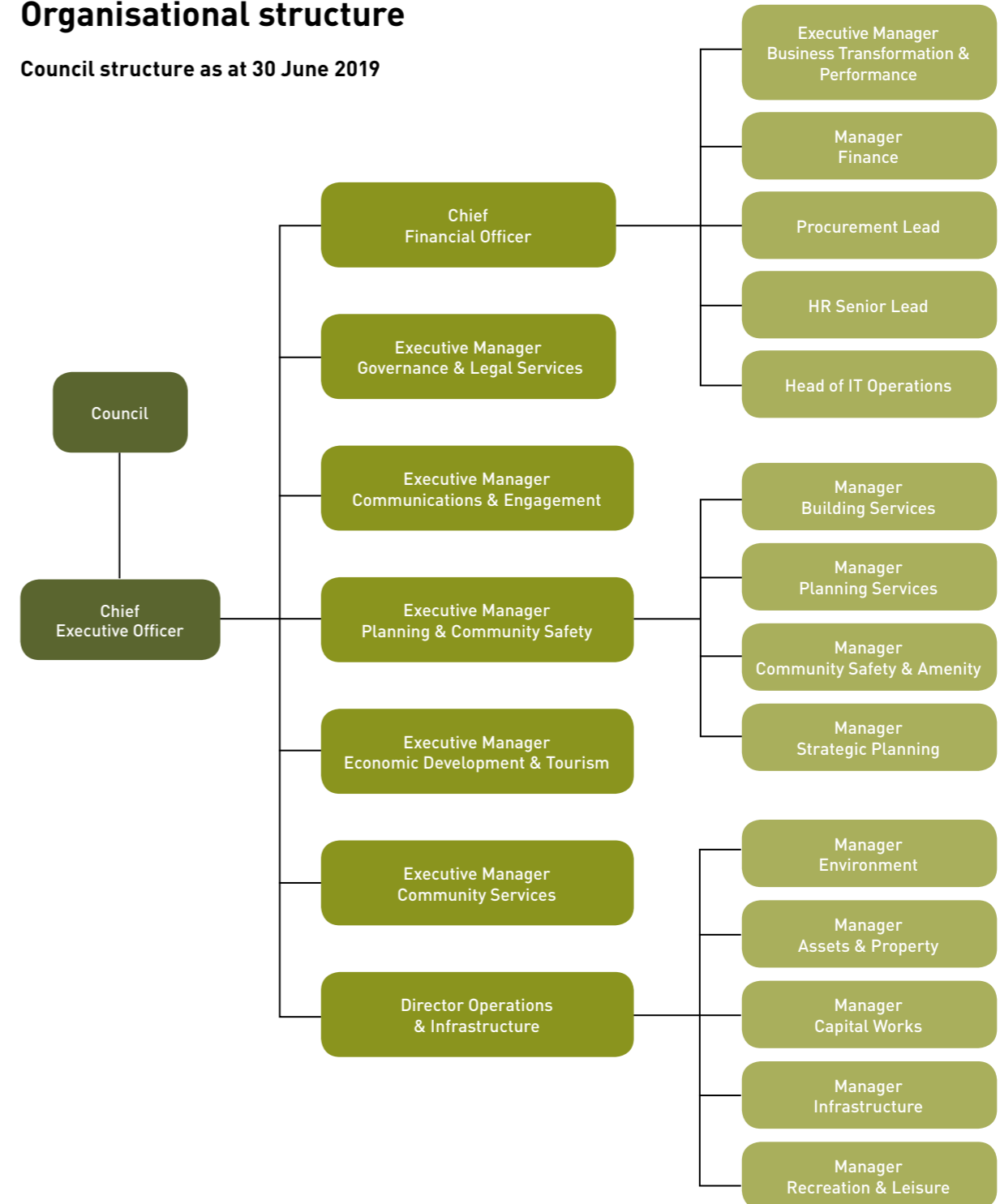


Our people

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. Two Directors, five Executive Managers and the CEO form the Executive Management Team (EMT) and lead the organisation.

Organisational structure

Council structure as at 30 June 2019



Council's Executive Management Team as at 30 June 2019



Carl Cowie
Chief Executive Officer

Carl was appointed Council's CEO in October 2018. He has compiled a lengthy and successful career in the private sector and local government, most recently as CEO of Mornington Peninsula Shire Council prior to joining Nillumbik.

Born in Scotland, Carl has completed his Masters of Business Administration (MBA) and qualifications in economics and finance. His international experience ranges from healthcare, facilities management, transport, manufacturing and construction project management to managing large diverse workforces and budgets.

He has experience with a similar green-wedge council (Mornington Peninsula) and the complexities around fire mitigation and a range of other issues facing interface councils.

Carl's focus in his first year as CEO was on providing the best possible value to ratepayers and residents as well as excellent customer service.



Hjalmar Philipp
Director Operations and Infrastructure

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

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 led a variety of projects with a strong focus on service improvements, establishing cultures with a continuous improvement focus, and driven improved performance across the service industries he has operated in.



Vincenzo Lombardi
Chief Financial Officer

Vincenzo is a finance executive with more than 15 years experience across public, private and not-for-profit sectors.

He has led national finance teams and worked across Europe, and brings a wealth of expertise to Council with particular strengths in process improvement, financial strategy and long-term budgetary oversight.

Vincenzo has completed an MBA with Griffith University, is a member of the Institute of Chartered Accountants Australia and New Zealand and holds Bachelor Degrees in Commerce and Arts.



Blaga Naumoski
Executive Manager Governance and Legal Services

Blaga has more than 15 years experience in the highly regulated local and state government sectors.

Her leadership roles have included a range of discipline areas, each demanding expertise and knowledge in law, governance, corporate records management, freedom of information, information privacy and change management.

Blaga joined Nillumbik in February 2018 from Darebin City Council, where she was most recently the Manager of Governance and Corporate Information.



Corrienne Nichols
Executive Manager Community Services

Corrienne has worked in the community services sector, including not for profit and local government, for more than 20 years. The past 16 years have been spent in local government. Over that time, Corrienne has managed service delivery for aged and disability programs, family and children's services and broader community engagement services.

Her passion is working with community and individuals to assist in achieving their goals. Corrienne has a strong background in business management and possesses a broad range of skills and knowledge in family and children's services, positive ageing and maternal and child health. Corrienne holds a Masters of Business Leadership.



Jeremy Livingston
Executive Manager Business Transformation and Performance

With more than 20 years experience in both operational and strategic roles in local government, Jeremy is an experienced leader who works collaboratively across organisations to achieve outstanding customer-centric outcomes for the community.

Currently leading business strategy and business improvement initiatives, Jeremy demonstrates a passion for continuous improvement.

Joining Nillumbik in 2004, Jeremy held managerial positions in planning, building and health before commencing his current role in February 2018.



Kylie Lethbridge
Executive Manager Economic Development and Tourism

Kylie began her career working in ministerial support teams more than 20 years ago before moving on to marketing and destination development.

She brings valuable experience gained in the environment sector, honed through various roles in tourism and regional development at state, local and federal government level in Australia and the UK.

Kylie has owned her own business, led people and the creation of strategy and policy to support economic development, agribusiness and tourism, and delivered results from her work in international trade and investment.



Mitch Grayson
Executive Manager Communications and Engagement

Mitch joined Nillumbik Shire Council in July 2017. He has worked in some of the most issues-rich and fast-paced places in Australia – from newsrooms, political offices to boardrooms.

A sought-after communications specialist, Mitch has been a trusted advisor and confidante to top government leaders with equally strong performance in employee management, mentoring and being the "go-to" person in organisations.

** has since ended his employment at Nillumbik Council on 16 August 2019.*

Note: The Executive Manager, Planning and Community Safety position was vacant as at 30 June 2019. The position has since been filled in mid-August 2019 by Rosa Zouzoulas.

Our workforce

At 30 June 2019 our workforce comprised of 294 full-time equivalent positions with a total headcount of 441.

In October 2018 our new CEO, Carl Cowie, was appointed. The organisation structure was reviewed with the aim to reduce double handling, increase collaboration and improve performance and productivity.

Council continues to focus on empowering staff to deliver excellent outcomes for our community and to embrace a culture of continuous improvement.

Equivalent full-time positions

| Employment type/ gender | | EFT | | | | | | | Total |
|----------------------------|--------|-------------------------|-----------------------|--------------------------------|-----------------------|-------------------------|------------------------------|---------------------------|---------------|
| | | Comms and Engagement | Executive Services | Economic Dev and Tourism | Corporate Services | Governance and Legal | Operations Infrastructure | Community and Planning | |
| Permanent Full Time | Female | 4.00 | 4.00 | 5.00 | 12.00 | 7.00 | 12.00 | 30.00 | 74 |
| | Male | 1.00 | 1.00 | 1.00 | 16.00 | 1.00 | 87.00 | 18.00 | 125 |
| Permanent Part Time | Female | - | - | 3.50 | 2.88 | 0.53 | 7.08 | 36.00 | 49.99 |
| | Male | - | - | 2.00 | - | - | 3.76 | 7.17 | 12.93 |
| Temporary Full Time | Female | 2.00 | - | 1.00 | 1.00 | 1.00 | 2.00 | 4.00 | 11 |
| | Male | - | - | - | 1.00 | 0.00 | 3.00 | 1.00 | 5 |
| Temporary Part Time | Female | - | - | 1.00 | 0.60 | 1.44 | 3.08 | 8.26 | 14.38 |
| | Male | - | - | - | - | - | 0.97 | 0.40 | 1.37 |
| Casual | Female | - | - | 0.12 | - | - | 0.06 | 0.40 | 0.58 |
| | Male | - | - | 0.03 | 0.01 | - | 0.04 | 0.06 | 0.14 |
| Total | | 7 | 5 | 13.65 | 33.49 | 10.97 | 118.99 | 105.29 | 294.39 |

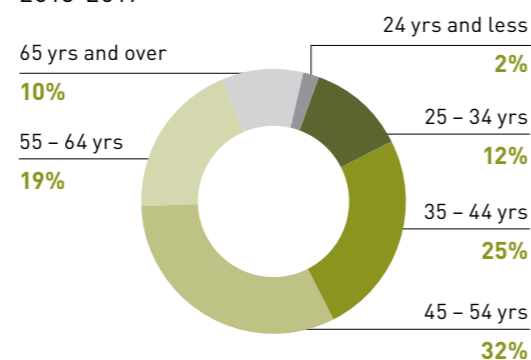
Employment classification and gender

| Employment Classification | EFT | | |
|---------------------------|---------------|---------------|---------------|
| | Female | Male | Total |
| Band 1 | 4.90 | 4.22 | 9.12 |
| Band 2 | 3.21 | 0.00 | 3.21 |
| Band 3 | 1.78 | 37.03 | 38.81 |
| Band 4 | 24.20 | 10.58 | 34.78 |
| Band 5 | 31.12 | 20.42 | 51.54 |
| Band 6 | 39.98 | 20.98 | 60.96 |
| Band 7 | 11.51 | 7.80 | 19.31 |
| Band 8 | 2.00 | 1.01 | 3.01 |
| Band Not Applicable | 25.61 | 42.40 | 68.01 |
| Nurses | 5.64 | - | 5.64 |
| Total | 149.95 | 144.44 | 294.39 |

Note: 'Band Not Applicable' includes annualised and contract staff

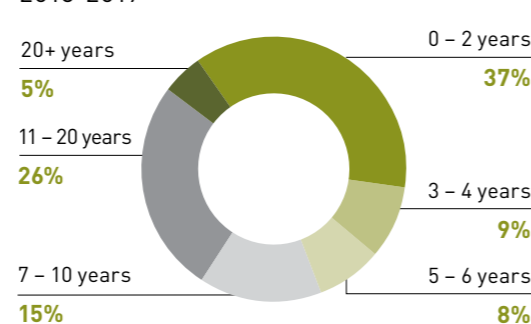
Employees by age group

2018-2019



Employees by length of service

2018-2019



Our people

At Council, we believe organisational culture is fundamental to promoting an environment whereby optimal delivery of services to the community is paramount. It provides the foundation for a high-performing workplace, where collaboration and continuous improvement are encouraged with the ultimate result of delivering exceptional outcomes for our community.

Our focus on culture ensures we target the right people and keep them engaged through strong leadership, ongoing development, challenging opportunities and open communication.

Fair treatment at work

Council is committed to providing fair and equitable treatment for all of our employees. All staff are required to complete awareness training regarding discrimination. Council does not tolerate discrimination and takes a proactive approach to ensure measures are in place to monitor and improve practices and behaviours.

All employees are required to comply with relevant federal and state legislation that establishes grounds on which discrimination is illegal, including but not limited to the Acts relating to occupational health and safety, equal employment opportunity, discrimination and human rights.

Recruitment

Council is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

Our approach

Council is committed to providing ongoing learning and development for our staff to enable them to be the best that they can be. This ensures we deliver the best possible outcomes for our customers.

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 under the Act and also provides a framework for employees to work in the best interests of the 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.

Case study

Inducting our new staff – seeing our shire up close and personal

A critical part of our new starter induction is to ensure staff understand the community they are providing services to. This includes the people, our unique landscape and our critical services.

Once per quarter, new starters are invited on a bus tour of the shire. The tour takes in the many townships within the shire, allowing our new staff to see first-hand our beautiful rural landscapes as well as the facilities that Council runs and manages for our residents.

Staff stop at some of our key locations such as the Waste Operations Centre in Plenty, Edendale Community Environment Farm in Eltham, the Living & Learning Nillumbik centre in Eltham, the Eltham Community and Reception Centre and the Hurstbridge Hub. This enables staff to appreciate both the volume and diversity of services that Council provides and meet some

of the staff and volunteers who deliver these services.

An important stop for the staff is at the Wadambuk St Andrews Community Centre. This is always a moving experience as our new staff are able to appreciate the impact that the 2009 Black Saturday bushfires had on this small community. The memorial garden and exhibition of artwork commemorating the 10-year anniversary of the fires allows time for some quiet reflection.

One of Council's new inductees Alena said "the bus tour took me to places in the shire I would have otherwise never visited. It is easy to get caught up in office life and never venture out. Going on the bus tour put things into perspective for me about just how special and diverse our shire really is and I now keep this at the forefront of my mind every day".

The Code of Conduct has been reviewed to include expectations when working with children as required by the Child Safe Standards. Compliance with the Code of Conduct is mandatory.

Key initiatives – Learning and development
Customer First

In 2018-2019, in line with the launch of our new customer experience strategy, *Nillumbik Customer First*, Customer First training was introduced for all staff. The aim of the program was to enable all staff in delivering customer service excellence.

The program focused on active listening, understanding differences and giving feedback. To date, over 270 staff have completed the program.

Leadership Essentials Program

In 2018-2019, Council continued its focus on developing and empowering our leaders. Our leadership program included the following modules:

- Discovery in Action – developing the skills, knowledge and behaviours to be an effective manager
- Managing Challenging Conversations
- Understanding and Developing Emotional Intelligence
- Managing Performance with Confidence
- Managing Illness and Absenteeism
- Continuous Improvement Champions Program.

Our leaders also have access to an extensive online learning library, including topics such as inclusive leadership, navigating the workplace with emotional intelligence, developing and implementing a change strategy, agile principles and methodologies and building a culture of design thinking.

Learning and development

Our staff have access to learning and development programs which cover a broad range of facets including:

- organisational priorities
- personal development
- safety, health and wellbeing
- emergency management
- community engagement essentials
- introduction to project management

- human resource management in projects
- introduction to personal support
- continuous improvement and innovation
- Freedom of Information.

Council staff are also encouraged to explore opportunities in respective technical disciplines which will further develop their skills on both a technical and interpersonal level.

Key initiatives – Culture and Engagement
Performance and development

In 2018-2019 the staff performance and development process was reviewed with the focus on identifying key deliverables and linking a measurable key performance indicator to those deliverables.

The performance and development process of staff is currently being reviewed with a view of automating the process to enable visibility across Council.

In consultation with staff, Council’s mission and values were reviewed and re-scoped in late 2018 to ensure a shared clarity of purpose that aligns with our vision.

This process resulted in five Council values:

- 

Respect
We actively listen and encourage all views, respecting our peers, our community and the environment

- 

Integrity
We are accountable, genuine and transparent in our actions and decisions

- 

Collaboration
We are one team working effectively, we willingly share our knowledge and time to achieve successful outcomes

- 

Adaptability
We are responsive, agile and creative

- 

Community
We build strong relationships that benefit our communities and customers



Council staff with their years of service awards, Greensborough

New Employee Assistance Provider

In 2018-2019 we introduced a new employee assistance provider (EAP) service, provided by Caraniche.

The EAP provides support on personal or family-related difficulties that may be affecting general wellbeing or work performance. The service is an integral component of our health and wellbeing program.

Organisation culture and engagement

In June 2019, a staff engagement and culture survey was launched with the aim to identify what we are doing well and what we can improve on.

Results are due later in 2019 which will inform action plans and focus areas to be embedded in departmental business plans.

Recognising our people

In November 2018, Council recognised and acknowledged the continuous service of 40 staff from across the organisation.

Staff were formally awarded years of service certificates by Mayor Karen Egan and Director Hjalmar Philipp in a ceremony held in the Council Chambers.

| Years of Service Milestones | Number of Employees |
|-----------------------------|---------------------|
| 10 Years | 17 |
| 15 Years | 18 |
| 20 Years | 1 |
| 25 Years | 3 |
| 30 years | 1 |

Case study

Advocating for gender equity – it starts with us

According to the *United Nations Educational, Scientific and Cultural Organization* (UNESCO), gender equity means 'fairness of treatment for men and women according to their respective needs'.

This may include equal treatment or treatment that is different, but which is considered equivalent in terms of rights, benefits, obligations, and opportunities.

At Council, we pride ourselves on delivering a service that is fair and equitable regardless of gender.

In December 2018, a "Free from Violence Local Government Grant" was received from the Office for Women for a 12-month project called Gender Equity Advocates.

Since receiving the grant, 15 Council staff have been trained and supported in their roles as Gender Equity Advocates. The goals of the training included:

- increasing their skills, knowledge and confidence around gender equity principles and the link to the prevention of violence against women
- gaining access to tools to assist in embedding the gender equity principles within the workplace and our service delivery.

One of the newly trained advocates, James, said of the training "Taking the time out to reflect on and question my own internal gender-based constructs has highlighted that this is an important topic that we need to continue building awareness around."



Yarn bombing at the IDAHOBIT street event, Hurstbridge

Equal opportunity, gender equity and LGBTI

Nillumbik Shire Council is an equal opportunity employer.

Each year, the Equal Opportunity Committee develops and implements an equal opportunity program that is designed to eliminate discrimination and promote equal opportunity for women and persons in designated groups in relation to employment matters.

Gender Equity

Council recognises the important role that local government plays in promoting gender equity and preventing violence against women and children.

It is committed to advancing gender equity and respectful relationships and reducing violence against women and children in our community.

In July 2018 Council adopted the Gender Equity Policy Statement to promote and embed gender equity principles in the organisation and community.

The *Nillumbik Health and Wellbeing Plan 2017-2021* contains a priority to "Advance Gender Equity and Respectful Relationships".

The plan articulates five strategies to achieve this.

The development of these strategies has been informed by community consultation and is aligned to other strategies developed at regional, state, federal and global levels.

The five key strategies are to:

- improve gender equity, safety and respectful relationships in the workplace
- ensure our services and facilities are gender equitable, safe and inclusive
- raise community awareness of gender equity and respectful relationships
- increase the promotion of gender equitable and non-violence messages through communications and social marketing
- collaborate with other organisations and community groups to collectively work towards preventing violence against women.

LGBTI

In September 2017, a lesbian, gay, bi, trans and intersex (LGBTI) working group was established within Council to "ensure that the LGBTI community is included and engaged in initiatives that are supported by Council" (*Action 1.5.7, Council Plan 2017-2021*).

Subsequently, Council committed to:

- understanding and responding to the LGBTI community in greater depth
- ensuring relevant plans, policies and services or events (new or existing) are responsive to the needs of the LGBTI community
- encouraging promotion of, and partnerships with, specialised healthcare and other targeted services that support LGBTI individuals.

Key deliverables in 2018-2019 included:

- identifying LGBTI stakeholders, particularly key stakeholders for the IDAHOBIT (International Day against Homophobia, Biphobia, Intersexism and Transphobia) grants and feedback regarding Council's services. As a result of external and internal feedback, a series of LGBTI fact sheets were developed

- improvements to Council's engagement to include the LGBTI community such as LGBTI specific feedback cards, LGBTI eNetwork and engagement as part of Midsumma activities/festivals
- ongoing support and facilitation of Council's internal LGBTI working group
- broad LGBTI grants to refine the process for the 2019-2020 IDAHOBIT grants and Council's Inclusion Officer supported a number of community led activities and events as a result.

IDAHOBIT 2019 Events

Hurstbridge Arts and Crafts Street Event

The Hurstbridge IDAHOBIT event was organised by the Hurstbridge Traders Association. The event included:

- rainbow flags around key sites in the town centre of Hurstbridge
- rainbow 'yarn bombing'
- a public event, with music provided, around the yarn bombed tree in the heart of Hurstbridge to talk about LGBTI inclusion.

IDASkate

The Stand Out group from Diamond Valley College is an LGBTI inclusive student led group. The students had support from Council's Inclusion Unit, Youth Services and Banyule Council's Youth Services. For a relatively low key event, with nothing like this being done before at Eltham Skaterz, 10 students turned up with two of them coming from Eltham High School.

LGBTI Dance Off

The LGBTI Dance-off was organised by the Diamond Creek Traders Association. The event included hall hire, catering, music, lights, prizes and two dance instructors to create a family friendly event to celebrate IDAHOBIT with over 30 people in attendance.

Rainbow Human Library

This event was held at two libraries; the first at Diamond Valley Library on 16 May 2019 and the second at Eltham Library on 17 May 2019.

The Human Library is designed to build a positive framework for conversations that can challenge stereotypes and prejudices through dialogue, where real people are on loan to readers.

The event involved members of the general public borrowing 'human' books to have conversations about their experiences as someone in the LGBTI community.

Safety, health and wellbeing

Council is committed to fulfilling both its moral and legal responsibilities under occupational health and safety (OHS) laws to provide a safe and healthy work environment for employees, volunteers, contractors, customers and visitors.

This commitment extends to ensuring that Council operations do not place the community and our staff at undue risk of injury or illness. With a core commitment to continuous improvement with respect to all areas of OHS, Council sees employee health and wellbeing as a key driver in having an engaged, resilient and productive workforce that is capable of performing their roles safely, efficiently and effectively in order to achieve organisational outcomes.

The online incident reporting system, QuickSafe, was operationalised in 2018-2019 and has enabled better incident management, monitoring and reporting, with a reduction in incidents and injuries.

SafetyMAP (initial level) is the certification level used by Council to ensure continued effectiveness and compliance with OHS requirements. Regularly audited externally, one surveillance audit was undertaken during 2018-2019. Council has met compliance standards with the SafetyMAP accreditation.

Ongoing maintenance and improvement of the OHS Management System is a key focus for Council as it demonstrates our commitment to providing a safe work environment for our employees, contractors and the wider community.

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.

Wellbeing

Council recognises that the health, safety and wellbeing of our employees is integral to meeting Council's strategic goals and that healthy staff are more productive, engaged and likely to exercise greater discretionary effort.

Safety Training

303 safety training modules were completed by Council staff in 2018-2019. These modules included: Safety Induction, OHS Fundamentals, QuickSafe Incident Management System, Manual Handling (in numerous areas), Ergonomics, Chief Fire Warden and Fire Warden duties, Duty of Care for Managers and Supervisors and First Aid Training.

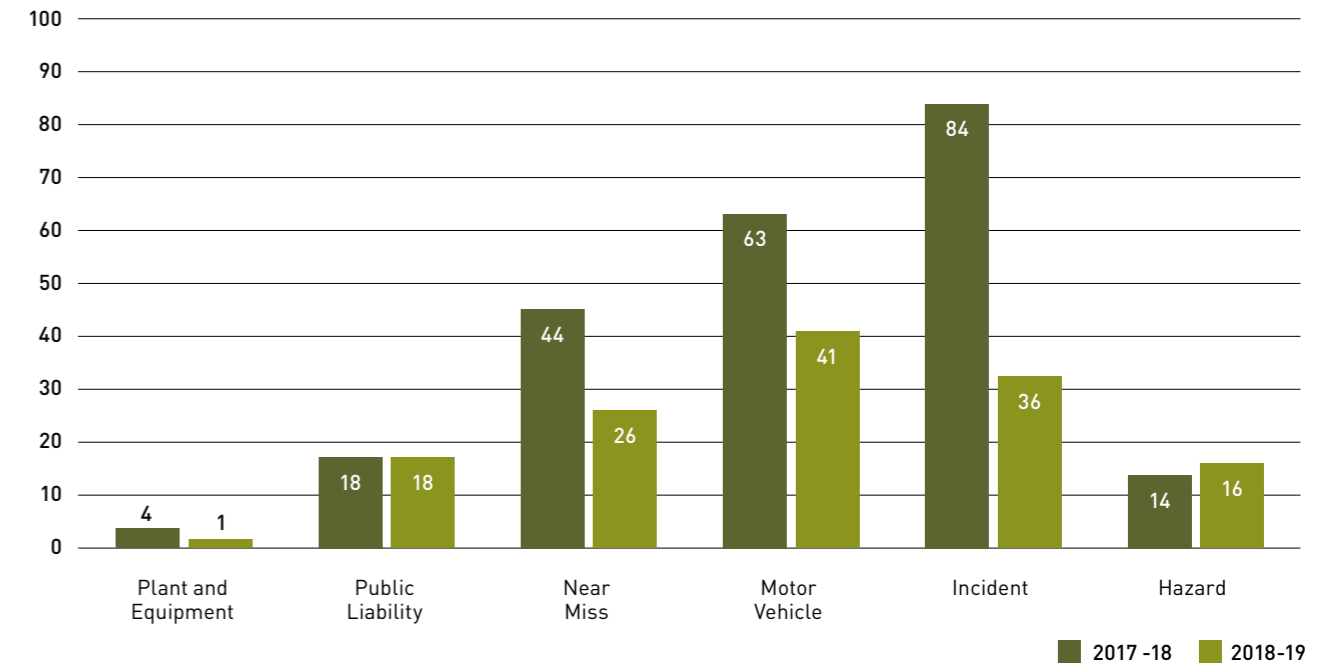
WorkCover

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 meets legislative requirements. Based on the weighted industry claims cost rating system applied by WorkSafe, where zero is the best possible score on a scale from zero to two, Council's WorkCover claims performance score of 1.1 is slightly above the industry average of 1.0.

Seven standard claims and three minor claims were made by Council staff in 2018-2019.

| OHS Statistics | | | |
|----------------|-----|-----|-------|
| Incidents | 170 | 225 | -24.4 |
| Injuries | 36 | 79 | -45.6 |

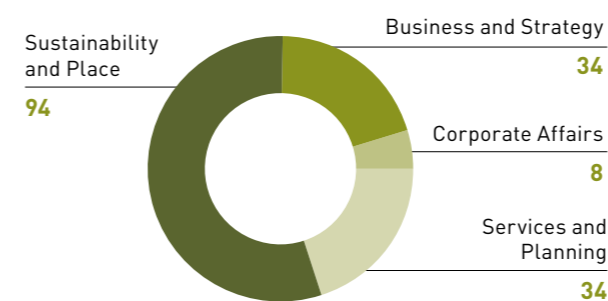
**Incident Type – FYTD Comparison
2017-2018 vs 2018-2019**



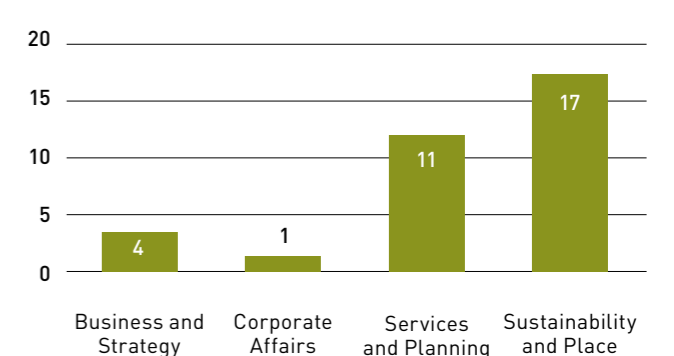
| Key Performance Indicator | Jul – Sep 18 | Oct – Dec 18 | Jan – Mar 19 | Apr – Jun 19 | Total Jul 18 – Jun 19 |
|--|--------------|--------------|--------------|--------------|-----------------------|
| Number of lost time injuries | 5 | 1 | 1 | 0 | 7 |
| Number of lost time days | 224 | 145 | 54 | 13 | 436 |
| Number of Staff on Alternate Duties >10 Days * | 5 | 8 | 6 | 4 | 5.75 |
| Lost time Injury duration Rate** | 44.80 | 145.00 | 54.00 | 0.00 | 62.29 |
| Number of Standard Claims | 5 | 2 | 0 | 0 | 7 |
| Number of Minor Claims*** | 3 | 0 | 1 | 0 | 4 |

* Total are average number of staff on alternative duties or modified per annum
 ** Lost Time Injury Duration Rate is number of days lost / number of lost time injuries
 *** A minor claim does not exceed \$707 or 10 days lost.

**Number of Incidents
2018-2019**



**Injuries by Directorate
2018-2019**





Council staff with anti-violence campaigner Phil Cleary and Council's 16 Days of Activism against Gender-Based Violence Orange Truck

Case study

16 Days of Activism against Gender-Based Violence – support for all who are experiencing family violence

Since 2017 Council has shown its commitment to the prevention of violence against women and promoting gender equity through participation in the 16 Days of Activism against Gender-Based Violence campaign.

Each year, the campaign starts on 25 November which is the International Day for the Elimination of Violence against Women and concludes on International Human Rights Day on 10 December.

Being highly visible in our support is important and Council demonstrates this through the following activities:

Providing support through grants:

Seven community led initiatives were held during the 16 Days campaign – #16DaysNillumbik.

Some of the grant supported initiatives included:

- 16 hours of cycling at the Eltham Leisure Centre
- Eltham Men's Shed wearing orange wigs and starting conversations across Eltham
- walking groups in Diamond Creek wearing orange in support of the campaign
- Diamond Creek Primary School and Yarra Plenty Regional Library story times at Eltham, Diamond Valley and on mobile library with children's books and activities that introduce and model positive ideas around gender and respect.

Commissioning artwork:

Living & Learning Nillumbik commissioned an artwork from the Friday Glass Arts MakerSpace asking the group to respond to the issues of gender-based violence through their art. The artwork was unveiled at the Living & Learning Nillumbik annual exhibition "diversARTy" at the Eltham Library Community Gallery on Saturday 24 November 2018.

Speaking at the opening, the group coordinator Gayle Parkes said "Our leadlight panel, produced collaboratively with empathy and love, is a reflection of those (who are affected by violence) lives."

Walking the talk:

Our Family Violence Policy entitlements are available to any staff member, regardless of their gender. The policy is supported by a procedure which highlights avenues of support for staff and how to access them. This support could include:

- approval for leave in order to attend court, related appointments or other safety arrangements
- flexible work arrangements
- timely alteration of payroll information.

Training our leaders:

Our leaders have been trained in how to support and assist staff in navigating through the support channels available.

Volunteers

Volunteering is at the heart of community-building. It encourages people to be active citizens and provides them with an environment where they can be engaged and make a difference.

Council currently has more than 500 volunteers, contributing more than 70,000 hours a year to Council programs and services. As a result, social connectedness is enhanced and quality of life outcomes are improved. Volunteer activities include caring for Council reserves; supporting elderly members of the community; working with young people; supporting families; teaching new skills and advising Council on specific projects and plans.

Council continues to deliver on the actions of the *Nillumbik Volunteering Development Strategy 2015-2020*. The strategy represents a shared commitment by Council to achieve best practice outcomes across all Council volunteer programs. Fourth year actions in the strategy have focused on best practice in volunteer management and

reducing barriers to volunteering across the shire. Highlights in 2018-2019 included:

- continued development of the 'Volunteering Opportunities and Information' page on the Council website and My Volunteer Impact online platform
- Council's Volunteer Appreciation Event and various recognition activities held during National Volunteer Week
- production and distribution of five promotional video interviews with Nillumbik Volunteers
- development of a volunteer compliance matrix to provide a more streamlined approach to volunteer induction procedures reducing barriers to volunteering in Nillumbik
- roll-out of Child Safe Standards training to all Nillumbik volunteers
- continuous improvement of volunteer management processes and procedures.



Happy volunteers at Council's Volunteer Appreciation Event

Case study

National Volunteer Week 2019 – recognising those who make a difference in our community

Council provides a variety of opportunities for those who want to make a positive impact to the community through volunteering. These include teaching young people to drive (L2P program), transporting community members to appointments (medical transport program) and supporting participants at our Living & Learning Nillumbik centres, just to name a few.

Council celebrates National Volunteer Week in May each year along with other volunteer-involving organisations across Australia.

National Volunteer Week is an opportunity to reflect on the impact our many volunteers have and to publicly recognise their contribution to the community.

Nillumbik's annual Volunteer Appreciation Event in 2019 was held in the beautiful surrounds of the Eltham Community and Reception Centre with 200 volunteers from across the shire attending the social evening. They were thanked personally by the Mayor and Councillors and given locally-sourced gifts as a token of appreciation.



Edendale Community
Environment Farm, Eltham

Corporate governance

Planning and accountability framework

Council Plan

The *Council Plan 2017-2021* was the key strategic document guiding the direction of the Council during 2018-2019.

The Council Plan 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 current Council in June 2017.

Under the *Local Government Act 1989*, each council is required to develop a council plan within six months of its election and to review the plan annually. The Council Plan has been reviewed annually since 2017 with no changes made.

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 is divided into five strategic objectives:

| | |
|---------------------------------------|---|
| Engaged, connected communities | A place where communities and ideas thrive, underpinned by trust, confidence and continuous learning. |
| Active and creative people | Active lifestyles and artistic expression are fostered through participation and innovation. |
| Safe and healthy environments | Healthy and safe communities enjoy living in our iconic Green Wedge environment. |
| A prosperous economy | A strong local economy that supports business growth, jobs and community wealth. |
| Responsible leadership | Collaborative and consultative leadership that builds trust and makes the best use of available resources to the benefit of all in the pursuit of excellence. |

Each strategic objective has a series of strategies and priority actions in order to meet that objective. Progress in implementing these strategies is formally reported to Council on a quarterly basis.

This annual report provides an update on progress against the second year of the *Council Plan 2017-2021* [see pages 34-45]. The current Council Plan can be viewed on Council’s website nillumbik.vic.gov.au.

Input for the Council Plan

The *Council Plan 2017-2021* was developed over many months with thorough input from Councillors. It was also informed by the results of the Annual Community Survey 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 Action Plan

Each year, in line with the budget process, Council produces an *Annual Action 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, are set out in the *Annual Action Plan*.

Progress against the *Annual Action Plan* is detailed in the 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, borrowings, operating result, cash and investments, capital works, financial position and financial sustainability. It is prepared alongside the *Annual Action Plan* with specific project and service delivery requirements balanced against available resources.

Department Business Plans

Business Plans are developed by managers and their teams alongside the budget process to ensure that the activities of the team (including Council Plan deliverables, major initiatives and continuous improvement in service delivery) can be adequately funded and delivered.

Governance

The *Local Government Act 1989* (the Act) defines the purposes and functions of local government and provides the legislative framework where councils must be responsible and accountable to the local community in the performance of their functions, the exercise of their powers and use of resources.

The Act is a key piece of legislation that governs how councils operate and requires that councils ensure transparency and accountability in council decision making.

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 and the ability to make submissions to special committees of Council.

Decision-making

Councils have a significant function in the law-making process as they make decisions on many matters of importance to their local communities. They are empowered by the Act and council local laws to make decisions in formally constituted council meetings, or under delegations approved by the council.

Council meetings are all led by elected councillors who set the vision and direction of Council. Section 91(1) of the Act outlines the obligations of councils to make local laws governing the conduct of council meetings and special committees.

At 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 delegate 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.

Confidentiality

Councillors and officers received extensive governance training in 2018-2019, in particular on the *Local Government Act 1989* reforms, improper direction of staff and the disclosure of confidential information. A Confidentiality Policy: Handling of Confidential Information by Councillors was adopted on 25 September 2018.

Conflict of interest

In accordance with the Act, Councillors and Council Officers are required to disclose conflicts of interest and leave the meeting prior to discussions about those particular agenda items.

A conflict of interest occurs where a personal or private interest might compromise the ability to act in the public interest.

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.

A register is maintained to record all disclosed conflicts of interest. During 2018-2019, there were four conflicts of interest declared at Council and Committee meetings.

The requirement to disclose conflicts of interest extends to Assemblies of Councillors.

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 2018-2019, 81 Assemblies of Councillors were reported to Council.

Nillumbik's Planning Framework



Council policies, strategies and plans adopted in 2018-2019

| Policy, Strategy or Plan | Date | Policy, Strategy or Plan | Date |
|--------------------------------|------------------|--|---------------|
| Gender Equity Policy Statement | July 2018 | Workplace Bullying and Occupational Violence and Aggression Policy | 15 April 2019 |
| OHS Policy | 10 October 2018 | <i>Strategic Resource Plan</i> | 28 May 2019 |
| Community Engagement Policy | 4 December 2018 | <i>Rating Strategy</i> | 28 May 2019 |
| Procurement Policy | 26 February 2019 | <i>Annual Action Plan 2019-2020</i> | 25 June 2019 |
| Asset Management Plans | 01 March 2019 | | |

Meetings of Council

Council and Committee meetings are generally held on a Tuesday evening in the Council Chamber at the Civic Centre in Civic Drive, Greensborough and are advertised in Nillumbik's local newspapers and on Council's website.

In addition to Ordinary and Special Meetings, Nillumbik has one Special Committee established under section 86 of the Act – the Future Nillumbik Committee. All seven Councillors sit on this Committee.

Council is committed to open and transparent decision making and generally conducts its business through open meetings. Meetings are only closed when reports being considered are deemed by the CEO and/or Council to be confidential. During 2018-2019, 44 Council reports were considered to be confidential matters.

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 and publishes them as part of the minutes of each meeting. Minutes are confirmed at the following Ordinary or Committee meeting. During 2018-2019, Council passed 316 resolutions at Council and Committee meetings.

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

In addition to considering reports at Council meetings the community is invited to submit questions and make submissions. In 2018-2019, 141 questions were submitted during Ordinary Meetings of Council and 91 submissions were heard at Council's Future Nillumbik Committee.

| Meeting | Purpose | Number of meetings | Resolutions | Public questions/submissions heard |
|-------------------------------------|--|--------------------|-------------|------------------------------------|
| Future Nillumbik Committee | Considers all matters within 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. | 11 | 50 | 91 |
| Ordinary meetings of Council | Considers the general business of Council and provides community members with the opportunity to ask questions of Council. | 12 | 249 | 141 |
| Special meetings of Council | Convened for a specific purpose and only the matters listed on the agenda may be dealt with. | 5 | 17 | N/A |

Attendance

The record of Councillor attendance at Ordinary Meetings of Council and Special Council Meetings held during 2018-2019 is shown in the table below.

| Councillor | Ordinary (12) | Special (5) | Future Nillumbik (11) |
|-------------------------|---------------|-------------|-----------------------|
| Cr Jane Ashton | 12/12 | 5/5 | 11/11 |
| Cr Grant Brooker | 12/12 | 5/5 | 11/11 |
| Cr Peter Clarke | 12/12 | 5/5 | 11/11 |
| Cr John Dumaresq | 12/12 | 5/5 | 10/11 |
| Cr Karen Egan | 12/12 | 5/5 | 11/11 |
| Cr Peter Perkins | 12/12 | 4/5 | 11/11 |
| Cr Bruce Ranken | 12/12 | 5/5 | 9/11 |

Allowances and expenses

Allowances paid to the Mayor and Councillors are established under section 74 of the Act which includes a superannuation guarantee contribution. The Victorian Government sets the upper and lower limits for allowances.

There are three categories of Councils (small, medium and large) and the categories are based on population and revenue. Nillumbik is included in Category 2 (medium-sized councils).

Each Council has discretion to determine its position within the relevant limits for its category. Once determined by the Council following each annual election, the level of allowances within the band is fixed for the balance of that Council's four-year term.

The Mayoral and Councillor allowances were set in May 2017 for the four-year term of Council. Nillumbik allowances have historically been set at the upper limit and are currently set at that level. This reflects the substantial commitment and workload of Councillors.

As a separate exercise, the Minister for Local Government also conducts an annual adjustment of allowances to allow for inflation. In 2018-2019, the Mayor received a total allowance of \$87,175 and Councillors received \$28,174.

Council reimburses reasonable costs associated with the formal duty of representing Council for the Mayor and Councillors and their respective partners in accordance with Council's Councillor Resources and Expenses Policy 2016 and section 75 of the Act.

The 2018-2019 expenses for each Councillor are outlined below.

| Councillor | Travel and car mileage | Mobile phone | Internet | Conferences, training and seminars | Other expenses | Total |
|----------------------------------|------------------------|----------------|----------------|------------------------------------|----------------|-----------------|
| Cr Jane Ashton | \$5,630 | \$760 | \$708 | \$30 | - | \$7,128 |
| Cr Grant Brooker | \$1,489 | \$838 | \$733 | \$90 | - | \$3,150 |
| Cr Peter Clarke | \$2,003 | \$615 | \$497 | \$3,341 | \$457 | \$6,913 |
| Cr John Dumaresq | - | \$655 | \$403 | - | - | \$1,058 |
| Cr Karen Egan¹ | \$4,960 | \$655 | \$1,549 | \$8,887 | \$1,084 | \$17,125 |
| Cr Peter Perkins | - | \$1,936 | \$1,181 | \$131 | - | \$3,247 |
| Cr Bruce Ranken | \$303 | \$883 | \$703 | \$6,591 | \$914 | \$9,395 |
| Total | \$14,384 | \$6,342 | \$5,775 | \$19,060 | \$2,455 | \$48,016 |

¹ The Mayor is entitled to higher expenditure on conferences, training and seminars in recognition of the additional responsibilities of Mayor.

Total allowances and expenses in 2018-2019 increased by approximately \$13,090, primarily due to additional voluntary training being undertaken by Councillors to support their duties.

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 |
| Audit and Risk Committee | Cr Clarke Cr Ranken |
| CEO Employment Matters Committee | All Councillors |
| Economic Development Advisory Committee | Cr Egan (Chair) Cr Ranken (Deputy) Cr Dumaresq |
| Environment Advisory Committee | Cr Ashton Cr Brooker (Deputy) |
| Inclusion Advisory Committee | Cr Grant Brooker (Chair) Cr Peter Perkins |
| Living & Learning Advisory Committee | Cr Brooker |
| Municipal Emergency Management Planning Advisory Committee | Cr Perkins (Chair) Cr Dumaresq |
| Panton Hill Bushland Reserves System Advisory Committee | Cr Ashton |
| Positive Ageing Advisory Committee | Cr Brooker |
| Recreational Trails Advisory Committee | Cr Dumaresq (Chair) Cr Ashton Cr Ranken |

| External Organisation | Councillor(s) |
|---|---------------------------------------|
| Diamond Creek Traders Association | Cr Perkins |
| Eltham Chamber of Commerce and Industry | Cr Clarke Cr Dumaresq Cr Ranken |
| Hurstbridge Traders Association | Cr Egan |
| Interface Councils Group | Cr Egan (Cr Clarke alternate) |
| Metropolitan Transport Forum | Cr Dumaresq |
| Metropolitan Waste Management Group | Cr Dumaresq (Cr Perkins alternate) |
| Municipal Association of Victoria | Cr Perkins (Cr Ashton alternate) |
| Nillumbik Tourism Association | Cr Egan and Cr Ranken |
| Northern Alliance for Greenhouse Action | Cr Ashton |
| Northern Metro Region Councils group | Cr Egan (Cr Clarke alternate) |
| Yarra Plenty Regional Library Board | Cr Egan and Cr Clarke |



Edendale Community
Environment Farm twilight picnic, Eltham

Management

Having strong governance and management frameworks leads to better decision making by Council.

The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out on *pages 130-131*.

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

Audit and Risk Committee

The Audit and Risk 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 and Risk Committee consists of three independent members – John Watson (Chair), Greg Hollyman and Chris Eddy, and two Councillors (currently Peter Clarke and Bruce Ranken). Independent members are appointed for up to a three-year term. The Chair is elected from among the independent members.

The Audit and Risk Committee meets four times a year. The Internal Auditor, CEO and Chief Financial Officer (CFO) attend all Audit and Risk Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in February, May and August each year to present the audit plan and independent audit report.

The minutes of each Audit and Risk 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 and Risk Committee annually.



Council meetings were held around the shire in 2018-2019

Case study

Meeting the community – Taking democracy on the road

In 2018-2019, Nillumbik Council took its council meetings on the road.

This initiative was driven by the Mayor and supported by all Councillors with the overall aim to encourage community engagement with Council's decision-making process.

Mayor Karen Egan said "the aim in holding these meetings is to make it easier for people to attend by bringing it closer to home, quite literally. We know how passionate Nillumbik residents are about the issues that affect them and the broader community".

The first of these was held in St Andrews on 26 February 2019, with the 28 May 2019 meeting conducted at the Hurstbridge Community Hub in Hurstbridge.

The Internal Auditor attends each Audit and Risk 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, who provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Management Team and the Audit and Risk Committee.

The SIAP for 2018-2019 was completed in May 2018. Primary reviews were conducted with the CEO and CFO in consultation with the internal auditors.

External audit

Council is externally audited by the Victorian Auditor-General's Office. In 2018-2019, the annual external audit of Council's Financial Statements and Performance Statements was conducted by the Victorian Auditor-General's representative.

The external auditors attend the February, May and August Audit and Risk 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 and Risk Committee.

Risk management

Council is committed to risk management an integral part of its corporate governance, operations and development of plans and strategies to minimise risk. It is committed to establishing an organisational culture that ensures that effective risk management is embedded in all activities and business processes. This applies to all staff, contractors, consultants, suppliers and volunteers.

Our commitment to risk management is detailed in Council's Risk Management Policy (July 2019) and Risk Management Framework (July 2019) which has been designed in line with the Australian Standard AS/NZS ISO 31000:2009 Risk management – principles and guidelines.

The objectives of the policy and framework are to:

- ensure that all risks that could affect the achievement of our Council's goals, strategies and actions are identified, assessed and treated to a commercially, professionally and politically acceptable level of risk
- integrate risk management into decision making processes and embed it into the organisation's culture to help make informed choices for the benefit of Council and our stakeholders
- ensure that necessary resources are allocated in support of the policy outcomes
- maintain stakeholders trust and due diligence
- align all risk management practices across the organisation and to promote and support a consistent corporate approach to risk management that can be clearly understood and applied by everyone, and provide a basis for higher standards of accountability
- ensure that risk management is seen as the responsibility of all staff; "risk management is everyone's business".

The Risk Management Framework outlines the risk management structure and procedures that are used to identify, analyse, evaluate, treat, monitor and communicate key risks including management reporting.

The framework takes into account the fact that local government presents a distinct risk character and profile that needs to be taken into account when considering risk management.

At the end of the 2018-2019 period, 100 per cent of control actions for the 173 strategic risks in Council's Risk Register were either completed (163 risks or 94 per cent) or on target (10 risks or 6 per cent). Thirty-four of 76 operational risk controls are in place, with the remaining risks and controls to be consulted with relevant staff and integrated into Council's systems and processes once completed.

No strategic risks were removed or identified in 2018-2019, and no significant incidents occurred affecting the strategic risks during the period.

Risk assessments for safety related risks were completed, and a corporate hazard register, including a hazard profile was developed to ensure business unit compliance with OHS obligations.

Over the coming 12 months, Council will continue to focus on the value of risk management as a tool to drive success against its objectives, and will initiate further steps to foster and embed a risk aware culture which empowers all staff to raise risk issues.

Insurance

The number of non-vehicle 'under excess' insurance claims dropped from 93 to 82 in 2018-2019. Claims most commonly related to tree falls, tree root damage, trips and falls due to uneven surfaces and damage to motor vehicles. 'Over excess' claims, typically tree damage and personal injury, remained stable with insurers reporting a modest reduction in overall claims costs of 2.4 per cent.

Business continuity

Council's Business Continuity Policy and Business Continuity Framework were adopted in July 2019 and describe our commitment to business continuity. Council draws upon the standard ISO22301:2017 – Business Continuity Management Systems – requirements to deliver key services during an event that has the capacity to create an interruption to business delivery.

Council has business continuity plans that identify potential threats to the continuation of Council service to the community and provides a framework for an effective response that safeguards delivery of those critical services.

Governance and management checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist as outlined in the Local Government Performance Reporting Framework.

| Governance and Management Items | Assessment |
|---|--|
| 1. 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: November 2018 |
| 2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community) | Guidelines Date of operation of current guidelines: December 2018 |
| 3. Strategic Resource Plan (plan under section 126 of the <i>Local Government Act 1989</i> (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: 28 May 2019 |
| 4. 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: 28 May 2019 |
| 5. 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: 01 March 2019 |
| 6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges) | Strategy Date of adoption of current plan: 28 May 2019 |
| 7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations) | Policy Date of adoption of current policy: 01 July 2019 |
| 8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud) | Policy Date of adoption: 17 July 2017 |
| 9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery) | Plan prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of adoption: 28 March 2017 |
| 10. Procurement policy (policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works) | Policy Date of adoption: 26 February 2019 |
| 11. 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: 01 July 2019 |
| 12. 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: 01 July 2019 |
| 13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations) | Framework Date of operation: 01 July 2019 |
| 14. Audit and Risk 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 Charter of the committee was reviewed in February 2019. The committee is now referred to as the Audit and Risk Committee |

| Governance and Management Items | Assessment |
|---|--|
| 15. 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: 01 July 2018 |
| 16. 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: 26 June 2018 |
| 17. 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) | Report Date of reports: 31 July 2018 26 February 2019 27 November 2018 30 April 2019 |
| 18. 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: 30 June 2018 (28 August 2018) 31 September 2018 (30 October 2018) 31 December 2018 (29 January 2019) 31 March 2019 (30 April 2019) |
| 19. 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: 13 August 2018 11 February 2019 12 November 2019 27 May 2019 |
| 20. 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: 12 October 2018 |
| 21. 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: 16 October 2018 |
| 22. 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 and adopted: 14 February 2017 |
| 23. 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 and adopted: 25 September 2018 |
| 24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees) | Local law adopted: 27 June 2017 |

Certification of Governance and Management Checklist

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



Cr Karen Egan
Mayor



Carl Cowie
Chief Executive Officer

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 during office hours or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* at the Civic Centre 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 for, 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 agendas and minutes relating to a part of a meeting that 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 that 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 was 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 grants made by Council in the previous 12 months, including the names of persons who, or bodies which, have received a grant and the amount of each donation or grant.

Best value

The *Local Government Act 1989* requires all councils to make sure their services are planned, managed and delivered in accordance with a set of best-value principles. These principles aim to ensure that Council's services are appropriate, responsive and accessible to the community.

Council ensures it delivers best value in its services in a number of ways, including:

- through implementation of the Council Plan, which highlights planning for the community's future needs for services and infrastructure, and ensuring seamless service delivery and an open and responsive approach to our customers. This Annual Report, as well as the preparation and publishing of quarterly performance reports, sets out how Council has made progress towards the delivery of the Council Plan, and more specifically the Annual Action Plan derived from the Council Plan.
- monitoring and benchmarking of its service performance against the Local Government Performance Reporting Framework (LGPRF) and the Annual Community Survey. Council's performance against these is shown in this Annual Report.
- through the annual department business plans, key performance indicators are designed and monitored for improving key result areas such as customer experience, business transformation and community value.
- a program of service reviews, most of which are informed by priority areas of the Council Plan. These include consideration of the service's activities against the objectives of the Council Plan and how the service can better meet the needs of the community and service users.
- promoting continuous improvement through an improvement framework which involves a blended methodology underpinned by lean thinking, agile delivery and human-centred design principles and practices. The principles ensure that structured problem solving is undertaken (as opposed to 'scattergun change') and to ensure that Council's service delivery is better, easier, faster and/or cheaper for our customers.

Council has also commenced preparation of a business transformation roadmap that will allow Council to deliver core functions more efficiently and take advantage of new technologies to improve services.

Business planning

An enhanced approach to business planning was implemented by Council in 2018-2019. Every department completed planning sessions which included identifying actions to meet key priority actions of the *Council Plan 2017-2021* and other strategic goals.

A Key Result Areas (KRA) framework was implemented through department business planning activities and individual performance objectives and plans, which included the setting of key performance indicators (KPIs) aligned to the KRAs.

Our KRA framework is based on a balanced scorecard approach and includes areas of Council Plan and strategy delivery, customer experience, business transformation, people performance and community value.

Service reviews

Strategic service reviews continue to be undertaken to ensure that the provision of Council's services remain relevant and responsive to community needs.

Highlight outcomes from service reviews undertaken in 2018-2019 included:

- the Positive Ageing service review developed a transition plan for phasing out Council's service delivery in response to the Federal Government's aged-care reforms while still providing ongoing community support through an information, advocacy and navigation service
- a review of the Living & Learning Nillumbik service was completed in September 2018. The purpose of the review was to identify service enhancements. The review identified that while the service is delivering great community outcomes, it is over-extended and requires temporary investment to support longer term growth and sustainability through a temporary resource to support Vocational Education and Training (VET) programs. The review also facilitated the development of a *Strategic Plan* and a *Workforce Management Plan* for the service
- the Maternal and Child Health service review identified opportunities for improvement in the service via an implementation plan and better collection of data and user satisfaction levels in the service

- the Community Safety service review clarified the core operational work that is undertaken by the service which in turn informed a restructure of positions within that team
- the Early Years Infrastructure Stage 3 review is now complete with the final stage of community engagement anticipated to occur between September – December 2019
- review of lease agreements with Early Years services and the introduction of service agreements.

The Edendale Community Environment Farm service review is continuing and will be considered by Council in 2019-2020.

Continuous improvement

Structured problem solving, business process mapping, form redesign and website enhancements continue to be focus areas for building a culture of continuous improvement at Council.

Continuous improvement awareness training was delivered to new employees throughout 2018-2019, and nine staff completed Council's Continuous Improvement Champions program (adding to the 14 participants in 2017-2018).

The procurement of a business process management tool, Nintex Promapp, and the adoption and delivery of the *Nillumbik Customer First Strategy* are building employee capability in continuous improvement and will continue to drive improvement outcomes in future years.

Digital initiatives

Through the understanding of Nillumbik's current state IT and a planned business transformation program, a number of initiatives have been identified that will form the future state digital foundations to the business transformation program.

A number of these identified initiatives are well into the planning stage. They include:

- electronic document and records management system replacement
- replacement and consolidation of asset management systems
- consolidation and replacement of the Geographical Information Systems (GIS)
- uplift of our human resources management system
- service desk system replacement
- customer portal uplift and enhancement.

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
- taken the Act into consideration when reviewing and modifying relevant policies, procedures and supports.

Contracts

The Local Government Act 1989 requires Council to prepare and approve a procurement policy and review, revise and amend as necessary each financial year. 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 on 26 February 2019 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.

In 2018-2019:

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

Disability action plan

In accordance with section 38 of the *Disability Act 2006*, ongoing actions as part of Council's *Disability Action Plan* provide 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.

Highlights from 2018-2019 include:

Disability Action Plan review and development

Community consultation to update Council's *Disability Action Plan* concluded with over 400 community members and 15 service providers giving feedback via the Participate Nillumbik website, feedback postcards or more in-depth surveys and conversations. An innovative feature of this consultation was the use of an Easy English survey which meant that people with intellectual or cognitive disability could have their say. The Easy English format of the survey was also used on Participate Nillumbik.

Promoting inclusion and participation in the community

A series of art exhibitions around Nillumbik featuring art and ceramics created by local artists with disability. The 'Better Together' exhibitions acted as promotion for the *Disability Action Plan* consultation and also provided a market for sales and valuable exposure for local artists, being seen by an estimated 3,200 people. The installation of new hanging space at the Eltham Leisure Centre was particularly popular with users and the staff at the centre, who have committed to offering artists regular exhibitions.

These exhibitions also attracted sponsorship and were shown at the Hurstbridge, Diamond Creek and Eltham branches of the Bendigo Community Bank.

Emergency preparedness for people with disability

Council's Inclusion Unit has been working with the Emergency Management Officer at Council to make National Disability Insurance Scheme (NDIS) Local Area Coordinators (LAC's) and disability service providers more aware of the need for emergency planning to be part of their work with clients (required as part of NDIA and DHHS funding). As part of this project, a new more accessible Emergency Preparedness Toolkit is being compiled. Disability awareness training will be provided for emergency management staff and volunteers and disability specific emergency management training sessions will be provided for NDIS LAC's and disability services.

Reducing barriers to people with a disability accessing Council goods, services and facilities/ promoting inclusion and participation in the community

'Better Together' is the new Inclusion Network e-newsletter which highlights local events, programs and opportunities for people in Nillumbik with disability, their carers and supports.

The newsletter goes out regularly to 268 community members and is shared widely across the NDIS Local Area Coordination team and local service providers providing valuable promotion for local services across the newly commercialised disability market. The newsletter also meets community demand for access to more information about what is available in the Nillumbik area.

International Day of People with Disability 2018

Council grants were awarded to local organisations to promote inclusive, innovative community-led events or activities, with event planning and delivery supported by the Council Inclusion Unit (grant pool of \$5,000).

Events on International Day of People with Disability held on 3 December 2018 included:

- Access All Abilities – a free Come and Try Day for people with disability at the Eltham Leisure Centre
- a live music event at St John of God Accord showcasing the musical talent of their participants
- an Empowering Women event at Melbourne Polytechnic run by women with disability
- support for a Women's Circle, for women with disability, to re-locate to Nillumbik
- a free community event and BBQ at the Diamond Valley Special Developmental School to showcase and raise awareness of the Equine Therapy program
- an event at healthAbility where young people shared their journeys and achievements.

Twenty volunteers and staff from a local gaming store, five on the Autism Spectrum, engaged in an Autism Awareness session and have volunteered to be mentors and trainers to their colleagues. Twelve people from the local table top gaming store, most with ASD (Autism Spectrum Disorder), all with permanent and significant disability, are also volunteering as mentors to create a welcoming and inclusive social group.

These mentors are connecting with local services such as Headspace to build an understanding of the supports available to a group who often experience high rates of unemployment, as well as anxiety and depression, but who often fall between the gaps and are not connected to supports.

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 2017-2021 in October 2017. The DAMP promotes responsible pet ownership in the community. Key achievements in 2018-2019 (the second year of the DAMP) included:

- maintaining Council's high animal registration compliance through the registration program. In all, 13,980 animal renewals were sent in 2018-2019
- reinforcing our close relationship and establishment of a formal agreement with the Save-a-Dog Scheme to use a local facility and provider to rehome abandoned dogs
- introducing a schools outreach program to educate primary school aged children on animal safety and road/traffic safety
- modernising the process for investigating barking dogs, cat trapping and other animal nuisance complaints which has to date achieved a 100 per cent success rate in resolving issues
- in excess of 95 per cent of impounded dogs were returned to their owners or re-homed.

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 2018-2019.

Freedom of information

The *Freedom of Information Act 1982* (FOI Act) provides the community with a general right of access to information held by Council. Access may be limited by exceptions and exemptions that have been prescribed to protect public interests and the private and business affairs of people about whom Council holds information.

Requests for access to information under the FOI 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.

Part II of the FOI Act requires Council to publish a range of information about our functions and procedures, the type of documents we keep, reports and publications, and Freedom of Information arrangements. This information is set out on Council's website.

The Information Commissioner plays an important role in promoting the operation of the FOI Act.

A request can be made to the Information Commissioner to have a decision reviewed 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.

As of 1 July 2018, the Information Commissioner publishes decisions made under section 49P of the FOI Act (Review on Decision) on the Office of the Victorian Information Commissioner (OVIC) website and the Australasian Legal Information Institute (AustLII) website.

For further information or to access Council's Part II Statement, visit Council's website nillumbik.vic.gov.au/Council/Council-publications/Freedom-of-information.

| Freedom of Information | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 |
|---|-----------|-----------|-----------|-----------|-----------|
| Total number of requests | 21 | 12 | 24 | 12 | 8 |
| Access granted in full | 1 | 1 | 16 | 4 | 3 |
| Access granted in part | 8 | 8 | 3 | 3 | 5 |
| No documents available | 1 | 1 | 1 | 0 | 0 |
| Documents provided outside of FOI | 1 | 0 | 0 | 0 | 0 |
| Access denied in full | 0 | 0 | 2 | 2 | 0 |
| Requests withdrawn or not proceeded with | 1 | 0 | 1 | 1 | 0 |
| Requests in progress at end of financial year | 11 | 2 | 1 | 2 | 0 |
| Total application fees collected | \$545.60 | \$335.10 | \$666.10 | \$326 | \$212 |
| Total other charges collected | \$723.60 | \$255.30 | 0 | \$52 | \$716 |

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 Information Privacy Policy are available from the Civic Centre and Council's website.

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 at privacy@nillumbik.vic.gov.au, or phone enquiries to 9433 3271.

The Privacy and Data Protection Deputy Commissioner may receive complaints about possible breaches of the Information Privacy Principles; however, the Deputy Commissioner may decline to hear the complaint if you have not first made a complaint to Council.

There was one complaint received and investigated in 2018-2019.

Further information on Council's Privacy policy is available on the Council's website - nillumbik.vic.gov.au/PrivacyStatement.



Council staff undertaking a site inspection

Protected disclosure procedures

Council supports the *Protected Disclosures Act 2012* (PDA) and encourages employees, contractors and members of the public to report known or suspected instances of corrupt or improper conduct. Council does not tolerate corrupt or improper conduct by its employees, officers or contractors, nor reprisals against those who come forward to disclose such conduct.

The PDA facilitates disclosures of improper conduct by the Council or its employees and provides protection for people who make disclosures. Council encourages the disclosure of wrongdoing within the organisation and where a potential disclosure under the PDA is identified, ensures effective action is taken, including investigation by the appropriate entities.

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 Independent Broad-based Anti-Corruption Commission (IBAC) or to the Victorian Ombudsman.

There were no protected disclosures reported in 2018-2019.

Road Management Act Ministerial directions

Council is responsible for the management of approximately 773 kilometres of road (of which 311 kilometres are unsealed), 350 kilometres of underground drainage, approximately 17,000 stormwater pits and 338 kilometres of footpaths.

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

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 2018-2019.

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 2018-2019, the following information about infrastructure and development contributions is disclosed.

Table 1 – Total DCP levies received in 2018-2019

| DCP name and year approved | Levies received in 2018-2019 financial year (\$) |
|--|--|
| DCP01 – Development Contributions Plan for Area A DPO 1, August 2003 | \$5,436.22 |
| DCP02 – Area B: Diamond Creek North Development Contributions Plan – Area 2, February 2012 | \$221,768.29 |
| Total | \$227,204.51 |

Table 2 – DCP land, works, services or facilities accepted as works-in-kind in 2018-2019

| DCP name and year approved | Project ID | Project description | Item purpose | Project value (\$) |
|-------------------------------------|---------------|---|---------------------------------|--------------------|
| DCP02 – Area B: Diamond Creek North | R008 and R006 | Herberts Lane Upgrade and Intersection Upgrade Herberts Lane and Broad Gully Road | Part of road construction works | \$568,920 |
| Total | | | | \$568,920 |

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 | Not applicable | Not applicable | Not applicable | Not applicable |

Table 4 – Land, works, services or facilities delivered in 2018-2019 from DCP levies collected

| Project description | Project ID | DCP name and year approved | DCP fund expended (\$) | Works-in-kind accepted (\$) | Council's contributions (\$) | Other contributions (\$) | Total project expenditure (\$) | % of item delivered |
|---|---------------|--|------------------------|-----------------------------|------------------------------|--------------------------|--------------------------------|---------------------|
| Herberts Lane Upgrade and Intersection Upgrade Herberts Lane and Broad Gully Road | R008 and R006 | DCP02 – Area B: Diamond Creek North Development Contributions Plan – Area 2, February 2012 | \$568,920 | \$1,234,126 | \$0 | \$0 | \$1,395,121 | 90% |
| Total | | | \$568,920 | \$1,234,126 | \$0 | \$0 | \$1,395,121 | 90% |

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 in accordance 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.

No human rights complaints were received by Council during 2018-2019.

Legislation impacting Council

Council undertakes a broad range of activities and services and conducts its activities under a highly-regulated environment. In Victoria, councils have responsibilities under more than 120 different Victorian pieces of legislation, as well as responsibilities under Commonwealth legislation.

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

- *Australian Citizenship Act 2007*
- *Building Act 1993*
- *Competition and Consumer Act 2010*
- *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 1982*
- *Geographic Place Names Act 1998*
- *Local Government Act 1989*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987*
- *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 1988*
- *Victorian Charter of Human Rights and Responsibilities Act 2006*

Local laws

Council currently has three local laws in place.

1) Amenity Local

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.

2) 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
- prohibit, regulate and control 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
- define the standards to which persons engaged in building works should adhere to
- educate and induce 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. No changes have been made to these documents since their adoption in 2013.



Bend of Islands

3) 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.

There was no change to the Meeting Procedure Local Law which was reviewed and adopted by Council on 27 June 2017 and commenced operation on 7 July 2017.

Further information on local laws can be found on Council's website – nillumbik.vic.gov.au

Council memberships

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

- Australian Local Government Women's Association
- Metropolitan Transport Forum
- Municipal Association of Victoria
- Victorian Local Governance Association.

National competition policy

Council has in place the necessary procurement processes and controls to ensure that Council's commercial dealings are honest and comply with the requirements of the *Competition and Consumer Act 2010*.

Furthermore, Councillors and Council officers are covered by a Councillors and Officers Liability Policy.

Community grants

| | Value of grant (\$) | | Value of grant (\$) |
|--|---------------------|---|---------------------|
| Community Festivals / Fairs | | | |
| Diamond Creek Town Fair | \$40,905 | Arts Awards | |
| Eltham Jazz, Food and Wine Festival | \$41,025 | Nillumbik Prize (\$31,000) | |
| Eltham Mudbrick House Tour | \$11,000 | Open Award | \$20,000 |
| Eltham Town Festival | \$63,347 | Local Award | \$10,000 |
| Hurstbridge Traders – Wattle Festival | \$32,316 | Mayoral Award | \$1,000 |
| On The Hill Festival, Pantan Hill | \$18,391 | Literary Nillumbik 2018 (\$3,858) | |
| Warrandyte Festival | \$23,299 | Alan Marshall Short Story Award open prize | \$2,000 |
| \$230,285 | | Alan Marshall Short Story Award local prize | \$700 |
| Community Group Support Grants | | | |
| 1st Eltham North Scouting Group | \$1,029 | Alan Marshall Short Story Award Youth highly commended prize | \$58 |
| Arthurs Creek Fire Brigade | \$1,818 | Ekphrasis Open prize | \$550 |
| Chinese New Year Celebrations | \$1,573 | Ekphrasis Local prize | \$350 |
| Diamond Creek Men's Shed | \$2,000 | Ekphrasis Youth prize | \$200 |
| Diamond Creek Traders Association | \$1,818 | \$34,858 | |
| Eltham and Environs Walking Group | \$1,231 | | |
| Eltham Men's Shed | \$2,000 | Fire Brigades | |
| Eltham Toy Library | \$935 | Arthurs Creek Fire Brigade | \$2,722 |
| Hurstbridge Men's Shed | \$2,000 | Christmas Hills Fire Brigade | \$2,722 |
| Renovation of St Matthews | \$1,576 | Diamond Creek Fire Brigade | \$2,722 |
| WW1 Memorial Garden, Pantan Hill | | District 14 Headquarters Brigade East | \$2,722 |
| St Andrews Film Society | \$1,275 | Doreen Fire Brigade | \$2,722 |
| Vine Baptist Church Playgroup | \$2,000 | Eltham Fire Brigade | \$2,722 |
| Yarra Plenty Regional Library | \$1,010 | Hurstbridge Fire Brigade | \$2,722 |
| Nillumbik Heritage Tours | | Kangaroo Ground Fire Brigade | \$2,722 |
| \$20,265 | | Kinglake Fire Brigade | \$2,722 |
| Arts and Culture Grant Projects | | | |
| Come Together Music Festival | \$4,950 | Nillumbik Group Fire Brigade | \$2,722 |
| Eltham Courthouse Poetry Readings | \$3,605 | North Warrandyte Fire Brigade | \$2,722 |
| Eltham Street Food and Musical Festival | \$5,000 | Pantan Hill Fire Brigade | \$2,722 |
| Giraffe a Go-Go, St. Andrews Festival | \$5,000 | Plenty Fire Brigade | \$2,722 |
| Poetry @ Chrissy Hills | \$360 | Research Fire Brigade | \$2,722 |
| Shakespeare In The Park | \$5,000 | St Andrews Fire Brigade | \$2,722 |
| Strathewen 10th Year Commemoration Book | \$5,000 | Wattle Glen Fire Brigade | \$2,722 |
| Yarra Plenty Regional Library | \$5,000 | Whittlesea/Diamond Valley Group Fire Brigade | \$2,722 |
| Nillumbik Comic Con | | Yarrambat Fire Brigade | \$2,722 |
| \$33,915 | | \$48,996 | |
| Arts Service Agreements | | | |
| Montsalvat | \$8,755 | Inclusion and Diversity | |
| Artists Open Studios – Arts and Cultural Development | \$10,000 | Diamond Creek YMCA | 1,000 |
| Artists Open Studios – Economic Development | \$16,000 | Diamond Valley College | 1,000 |
| \$34,755 | | Hurstbridge Traders Association | 1,000 |
| | | Yarra Plenty Regional Libraries – Eltham and Diamond Valley Libraries | 1,000 |
| | | \$4,000 | |



The Nillumbik Prize for Contemporary Art Finalist Exhibition at Montsalvat, Eltham

| | Value of grant (\$) | | Value of grant (\$) |
|--|---------------------|---|---------------------|
| Heritage Grants | | | |
| Allwood Neighbourhood House Inc. | \$600 | Occasional Childcare Centres | |
| Andrew Ross Museum | \$600 | Hohnes Road Playhouse Inc. | \$14,994 |
| Arthurs Creek Mechanics Institute | \$600 | \$14,994 | |
| Eltham District Historical Society | \$600 | Sports and Recreational Achievements | |
| Friends of Kangaroo Ground War Memorial Park Inc | \$600 | 12 achievement grants | \$2,150 |
| Greensborough Historical Society | \$600 | \$2,150 | |
| Nillumbik Historical Society | \$600 | Youth Support Grants | |
| Nillumbik Reconciliation Group | \$600 | Hurstbridge Junior Football Netball Club | \$680 |
| Plenty Historical Society | \$600 | Pat Cronin Workshop | |
| Queenstown Cemetery Trust | \$600 | Kick Out the Jam auspiced by Auspicious Arts Projects | \$2,000 |
| St Andrews Queenstown Historical Society | \$600 | Nillumbik Youth Productions | \$2,000 |
| Warrandyte Historical Society | \$600 | Operation Newstart Youth Wilderness Intervention | \$2,000 |
| Yarrambat Historical Society | \$600 | \$6,680 | |
| \$7,800 | | Total value of grants allocated in 2018-2019 | \$438,698 |

Annual financial report for the year ended 30 June 2019

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| | | 9.3. Superannuation | | |

Comprehensive income statement for the year ended 30 June 2019

| | Note | 2019 \$'000 | 2018 \$'000 |
|--|--------|----------------|----------------|
| Income | | | |
| Rates and charges | 3.1 | 64,780 | 63,131 |
| Statutory fees and fines | 3.2 | 1,465 | 1,558 |
| User fees | 3.3 | 11,502 | 8,961 |
| Grants – operating | 3.4(a) | 7,242 | 7,170 |
| Grants – capital | 3.4(b) | 14,325 | 4,138 |
| Contributions – monetary | 3.5 | 2,048 | 2,589 |
| Contributions – non-monetary | 3.5 | 1,835 | 5,100 |
| Net (loss)/gain on disposal of property, infrastructure, plant and equipment | 3.6 | (3,221) | 1,351 |
| Share of net profits/(losses) of associate | 6.3 | (266) | 40 |
| Other income | 3.7 | 2,595 | 2,824 |
| Total income | | 102,305 | 96,862 |
| Expenses | | | |
| Employee costs | 4.1 | 34,210 | 31,984 |
| Materials and services | 4.2 | 38,802 | 30,388 |
| Depreciation | 4.3 | 11,650 | 11,115 |
| Bad and doubtful debts | 4.4 | 32 | 53 |
| Borrowing costs | 4.5 | 767 | 812 |
| Contributions to associate | 6.3 | 2,761 | 2,694 |
| Other expenses | 4.6 | 3,881 | 3,264 |
| Total expenses | | 92,103 | 80,310 |
| Surplus/(deficit) for the year | | 10,202 | 16,552 |
| Other comprehensive income | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increment/(decrement) | 9.1(a) | 3,603 | 158,981 |
| Total comprehensive result | | 13,805 | 175,533 |

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

Balance sheet for the year ended 30 June 2019

| | Note | 2019 \$'000 | 2018 \$'000 |
|--|--------|------------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5.1(a) | 44,254 | 46,670 |
| Trade and other receivables | 5.1(c) | 9,900 | 8,032 |
| Other financial assets | 5.1(b) | 1,000 | 1,000 |
| Inventories | 5.2(a) | 27 | 22 |
| Non-current assets classified as held for sale | 6.1 | 3,607 | 5,158 |
| Other assets | 5.2(b) | 6,090 | 4,376 |
| Total current assets | | 64,878 | 65,258 |
| Non-current assets | | | |
| Trade and other receivables | 5.1(c) | 902 | 550 |
| Other financial assets | 5.1(b) | 5 | 5 |
| Investments in associate | 6.3 | 1,330 | 1,597 |
| Property, infrastructure, plant and equipment | 6.2 | 937,830 | 921,851 |
| Total non-current assets | | 940,067 | 924,003 |
| Total assets | | 1,004,945 | 989,261 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 5.3(a) | 10,707 | 8,904 |
| Trust funds and deposits | 5.3(b) | 2,050 | 1,648 |
| Provisions | 5.5(c) | 8,093 | 6,670 |
| Interest-bearing loans and borrowings | 5.4 | 2,794 | 2,121 |
| Total current liabilities | | 23,644 | 19,343 |
| Non-current liabilities | | | |
| Provisions | 5.5(c) | 6,602 | 7,707 |
| Interest-bearing loans and borrowings | 5.4 | 9,298 | 10,615 |
| Total non-current liabilities | | 15,900 | 18,322 |
| Total liabilities | | 39,544 | 37,665 |
| Net assets | | 965,401 | 951,596 |
| EQUITY | | | |
| Accumulated surplus | | 397,099 | 388,337 |
| Reserves | 9.1 | 568,302 | 563,259 |
| Total equity | | 965,401 | 951,596 |

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

Statement of changes in equity for the year ended 30 June 2019

| | Note | Total | Accumulated Surplus | Asset Revaluation Reserve | Other Reserves |
|---|--------|----------------|---------------------|---------------------------|----------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| 2019 | | | | | |
| Balance at beginning of the financial year | | 951,596 | 388,337 | 524,632 | 38,627 |
| Surplus/(deficit) for the year | | 10,202 | 10,202 | - | - |
| Net asset revaluation increment/(decrement) | 9.1(a) | 3,603 | - | 3,603 | - |
| Transfers to other reserves | 9.1(b) | - | (23,542) | - | 23,542 |
| Transfers from other reserves | 9.1(b) | - | 22,102 | - | (22,102) |
| Balance at end of the financial year | | 965,401 | 397,099 | 528,235 | 40,067 |
| 2018 | | | | | |
| Balance at beginning of the financial year | | 776,063 | 373,053 | 365,651 | 37,359 |
| Surplus/(deficit) for the year | | 16,552 | 16,552 | - | - |
| Net asset revaluation increment/(decrement) | 9.1(a) | 158,981 | - | 158,981 | - |
| Transfers to other reserves | 9.1(b) | - | (25,553) | - | 25,553 |
| Transfers from other reserves | 9.1(b) | - | 24,285 | - | (24,285) |
| Balance at end of the financial year | | 951,596 | 388,337 | 524,632 | 38,627 |

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

Statement of cash flows for the year ended 30 June 2019

| | Note | 2019 Inflows/ (Outflows) \$'000 | 2018 Inflows/ (Outflows) \$'000 |
|---|---------------|---------------------------------|---------------------------------|
| Cash flows from operating activities | | | |
| Rates and charges | | 63,721 | 63,583 |
| Statutory fees and fines | | 1,465 | 1,558 |
| User fees* | | 8,077 | 6,722 |
| Grants – operating* | | 7,412 | 7,442 |
| Grants – capital* | | 14,495 | 4,410 |
| Contributions – monetary* | | 2,218 | 2,861 |
| Interest received | | 1,082 | 955 |
| Trust funds and deposits taken | | 1,001 | 290 |
| Other receipts | | 648 | 1,758 |
| Net GST refund/(payment) | | 5,210 | 4,010 |
| Employee costs | | (34,701) | (32,406) |
| Materials and services* | | (40,792) | (31,314) |
| Trust funds and deposits repaid | | (197) | (12) |
| Other payments* | | (7,593) | (7,048) |
| Net cash provided by/(used in) operating activities | | 22,046 | 22,809 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 6.2 | (25,379) | (22,285) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 2,328 | 5,472 |
| Payments for investments | | - | (1,000) |
| Proceeds from investments | | - | 5,300 |
| Net cash provided by/(used in) investing activities | | (23,051) | (12,513) |
| Cash flows from financing activities | | | |
| Finance costs | | (767) | (812) |
| Proceeds from borrowings | | - | - |
| Repayment of borrowings | | (644) | (724) |
| Net cash provided by/(used in) financing activities | | (1,411) | (1,536) |
| Net increase/(decrease) in cash and cash equivalents | | (2,416) | 8,760 |
| Cash and cash equivalents at the beginning of the financial year | | 46,670 | 37,910 |
| Cash and cash equivalents at the end of the financial year | 5.1(a) | 44,254 | 46,670 |
| Financing arrangements | 5.6 | | |
| Restrictions on cash assets | 5.1(a) | | |
| *GST Inclusive | | | |

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

Statement of capital works for the year ended 30 June 2019

| | Note | 2019 \$'000 | 2018 \$'000 |
|--|------|----------------|----------------|
| Property | | | |
| Land | | - | - |
| Land improvements | | 368 | - |
| Playgrounds | | 1,808 | - |
| Total land | | 2,176 | - |
| Buildings | | 1,201 | 2,129 |
| Buildings – heritage | | - | - |
| Total buildings | | 1,201 | 2,129 |
| Total property | | 3,377 | 2,129 |
| Plant and equipment | | | |
| Plant, machinery and equipment | | 278 | 642 |
| Furniture, equipment and computers | | 15 | 109 |
| Artwork | | - | - |
| Total plant and equipment | | 293 | 751 |
| Infrastructure | | | |
| Roads | | 4,120 | 2,272 |
| Bridges | | 56 | 214 |
| Footpaths and cycleways | | 766 | 2,375 |
| Drainage | | 729 | 759 |
| Recreational, leisure and community facilities | | 15,839 | 12,853 |
| Waste management | | - | 1,065 |
| Parks, open space and streetscapes | | 1,556 | 546 |
| Traffic treatments | | - | - |
| Other infrastructure | | 512 | 933 |
| Total infrastructure | | 23,578 | 21,017 |
| Total capital works expenditure | | 27,248 | 23,897 |
| Represented by: | | | |
| New asset expenditure | | 5,979 | 622 |
| Asset renewal expenditure | | 4,334 | 5,301 |
| Asset expansion expenditure | | 2,570 | 1,992 |
| Asset upgrade expenditure | | 14,365 | 15,982 |
| Total capital works expenditure | | 27,248 | 23,897 |

The above statement of capital works should be read with the accompanying notes.

Notes to the financial report for the year ended 30 June 2019

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.

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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of employee provisions (refer to note 5.5(a))
- the determination of landfill provisions (refer to note 5.5(b))

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.

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. *The Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 5 per cent 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 26 June 2018. 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*.

Notes to the financial report for the year ended 30 June 2019

Note 1 Performance against budget (cont.)

1.1 Income and expenditure

| | Budget 2019 \$'000 | Actual 2019 \$'000 | Variance 2019 \$'000 | Variance % | Ref |
|--|--------------------------|--------------------------|----------------------------|---------------|-----|
| Income | | | | | |
| Rates and charges | 64,475 | 64,780 | 305 | 0.5% | |
| Statutory fees and fines | 1,374 | 1,465 | 91 | 6.6% | 1 |
| User fees | 12,162 | 11,502 | (660) | -5.4% | 2 |
| Grants – operating | 6,558 | 7,242 | 684 | 10.4% | 3 |
| Grants – capital | 9,130 | 14,325 | 5,195 | 56.9% | 4 |
| Contributions – monetary | 1,496 | 2,048 | 552 | 36.9% | 5 |
| Contributions – non monetary | - | 1,835 | 1,835 | 100.0% | 6 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | - | (3,221) | (3,221) | 100.0% | 7 |
| Share of net profits/(losses) of associates | - | (266) | (266) | 100.0% | 8 |
| Other income | 1,585 | 2,595 | 1,010 | 63.7% | 9 |
| Total income | 96,780 | 102,305 | 5,525 | 5.7% | |
| Expenses | | | | | |
| Employee costs | 35,303 | 34,210 | (1,093) | -3.1% | |
| Materials and services | 29,504 | 38,802 | 9,298 | 31.5% | 10 |
| Bad and doubtful debts | - | 32 | 32 | 100.0% | 11 |
| Depreciation | 11,015 | 11,650 | 635 | 5.8% | 12 |
| Borrowing costs | 764 | 767 | 3 | 0.4% | |
| Contributions to associates | 2,755 | 2,761 | 6 | 0.2% | 13 |
| Other expenses | 6,242 | 3,881 | (2,361) | -37.8% | 14 |
| Total expenses | 85,583 | 92,103 | 6,520 | 7.6% | |
| Surplus/(deficit) for the year | 11,197 | 10,202 | (995) | -8.9% | |

(i) Explanation of material variances

Ref Explanation

- 1 Statutory fees and fines**, variance due to increase in fines and permits issued for the year and penalties served on properties in the shire.
- 2 User fees**, variance is driven by the delayed reopening of Eltham Leisure Centre for completion of the redevelopment.
- 3 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.
- 4 Grants – capital**, variance is due to grants received in advance for the 2019-2020 financial year.
- 5 Contributions – monetary**, variance due to developer and capital works contributions received during the year.
- 6 Contributions – non-monetary**, comprises of infrastructure assets, in particular drainage assets, that were transferred to Council during the period. Council does not budget for the receipt of non-monetary contributions.
- 7 Net gain on disposal of property**, infrastructure, plant and equipment, losses on disposal of plant, infrastructure and equipment are not budgeted for.
- 8 Share of net profits/(losses) of associates**, Council does not budget for share of net profit/(losses) of associates.

Notes to the financial report for the year ended 30 June 2019

Note 1 Performance against budget (cont.)

1.1 Income and expenditure

(i) Explanation of material variances (cont.)

- 9 Other income**, variance is driven by an increase in interest income attributable to an increase in the balance of funds held in investments and insurance refunds received during the financial year that were not anticipated.
- 10 Materials and services**, variance is driven by landfill rehabilitation costs budgeted for as capital expenditure, provided for by way of the Provision for Landfill Rehabilitation and included in this line item. Agency and consulting fees were greater than expected due to ongoing position vacancies and one off project related expenses. Further, for budgeting purposes insurance premiums are categorised as other expenses, but are allocated to the materials and services category in the income statement.
- 11 Bad and doubtful debts**, Council does not budget for bad and doubtful debts.
- 12 Depreciation**, variance is driven by the capitalisation of newly completed assets.
- 13 Contributions to associates**, reflective of the contributions agreed upon by the board of the Yarra Plenty Regional Library Service.
- 14 Other expenses**, variations due to underspends in grant funded operational areas: Home and Community Care transition program, Metro Access and reduction in spend across Green Power and Leased equipment. The remaining balance comprises of minor variances across the organisation and is further compounded by insurance premiums budgeted as other expenses, but classified as materials and services in the income statement.

1.2 Capital works

| | Budget 2019 \$'000 | Actual 2019 \$'000 | Variance 2019 \$'000 | Variance % | Ref |
|----------------------------------|--------------------------|--------------------------|----------------------------|---------------|-----|
| Property | | | | | |
| Land | - | - | - | 0.0% | |
| Playgrounds | 845 | 1,808 | 963 | 114.0% | 1 |
| Land improvements | - | 368 | 368 | 100.0% | 2 |
| Total land | 845 | 2,176 | 1,331 | 157.5% | |
| Buildings | 909 | 1,201 | 292 | 32.1% | 3 |
| Total buildings | 909 | 1,201 | 292 | 32.1% | |
| Total property | 1,754 | 3,377 | 1,623 | 92.5% | |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,344 | 278 | (1,066) | -79.3% | 4 |
| Fixtures, fittings and furniture | - | 15 | 15 | 100.0% | |
| Total plant and equipment | 1,344 | 293 | (1,051) | -78.2% | |

Notes to the financial report for the year ended 30 June 2019

Note 1 Performance against budget (cont.)

1.2 Capital Works (cont.)

| | Budget 2019 \$'000 | Actual 2019 \$'000 | Variance 2019 \$'000 | Variance % | Ref |
|--|--------------------------|--------------------------|----------------------------|---------------|-----|
| Infrastructure | | | | | |
| Roads | 3,592 | 4,120 | 528 | 14.7% | 5 |
| Bridges | 100 | 56 | (44) | -44.0% | 6 |
| Footpaths, trails and cycleways | 640 | 766 | 126 | 19.7% | 7 |
| Drainage | 700 | 729 | 29 | 4.1% | |
| Recreational, leisure and community facilities | 15,328 | 15,839 | 511 | 3.3% | 8 |
| Kerb and channel | - | - | - | 0.0% | |
| Waste management | 1,633 | - | (1,633) | -100.0% | 9 |
| Parks, open space and streetscapes | 533 | 1,556 | 1,023 | 191.9% | 10 |
| Traffic treatments | - | - | - | 0.0% | |
| Other infrastructure | 630 | 512 | (118) | -18.7% | 11 |
| Total infrastructure | 23,156 | 23,578 | 422 | 1.8% | |
| Total capital works expenditure | 26,254 | 27,248 | 994 | 3.8% | |
| Represented by: | | | | | |
| New asset expenditure | 5,761 | 5,979 | 218 | 3.8% | |
| Asset renewal expenditure | 5,396 | 4,334 | (1,062) | -19.7% | |
| Asset expansion expenditure | 993 | 2,570 | 1,577 | 158.8% | |
| Asset upgrade expenditure | 14,104 | 14,365 | 261 | 1.9% | |
| Total capital works expenditure | 26,254 | 27,248 | 994 | 3.8% | |

(i) Explanation of material variances

Ref Explanation

- Playgrounds**, variance largely due to additional spend on Eltham North Adventure Playground and works on the Civic Drive Precinct playground facilities which were completed during the year.
- Land improvements**, works completed on land improvements across the shire, including fencing and landscaping, accounted for across other budget lines.
- Buildings**, variance due to works on Edendale and Eltham Men's Shed carried forward from 2018-19 and additional improvements for Early Years facilities.
- Plant, machinery and equipment**, variance caused by a delay in budgeted spend.
- Roads**, variance driven by completion of works from prior year including special charge schemes at Wornes Lane and Rogers
- Bridges**, variance is attributable to lower than expected spend on bridge rehabilitation works.
- Footpaths, trails and cycleways**, variance due to additional spend on footpath renewal works completed across the shire.
- Recreation, leisure and community**, variance due to completion of Eltham Leisure Centre and ongoing works at Eltham North Reserve Pavilion and Research Park Sports Pavilion.
- Waste management**, Landfill rehabilitation costs have been recognised via the Provision for Landfill Rehabilitation and have been expensed accordingly.
- Parks, open space and streetscapes**, variance due to works completed on open space, including Civic Drive precinct.
- Other infrastructure**, variance is attributable to lower than expected spend on other infrastructure projects.

Notes to the financial report for the year ended 30 June 2019

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Governance and Legal

Governance and legal services provides effective governance oversight of the organisation and provides support to the organisation and ensures Council's customer focus includes communication and community engagement processes. Service areas include governance, information services, emergency management and legal services. Executive Services, the provision of support services to the CEO and Councillors, has been included in Governance and Legal.

Communications and Engagement

Communications and Engagement provides effective internal and external communications channels and supports information delivery to the wider community. Service areas include marketing, internal and external communications and community engagement.

Planning and Community Safety

Community and planning provides high quality community focused programs and service delivery to residents. Community and Planning is comprised of planning services, community safety and amenity, customer experience, community services, building services, and strategic planning.

Operations and Infrastructure

Operations and Infrastructure is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. Infrastructure and Operations is comprised of infrastructure, capital works, environment and waste, recreation and leisure and assets and property.

Economic Development and Tourism

Economic Development and Tourism supports local festivals and events and advocates on behalf of the community for major events, tourism and cultural opportunities. Economic Development and Tourism is responsible for arts and culture, economic development and events and tourism.

Corporate Services

Corporate Services provides efficient, effective and proactive support services across Council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes human resources, information and technology, procurement, business transformation and performance and finance services.

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program

| | Income \$'000 | Expenses \$'000 | Surplus/ (Deficit) \$'000 | Grants included in income \$'000 | Total capital expenditure \$'000 | Total assets \$'000 |
|----------------------------------|------------------|--------------------|---------------------------------|---|---|---------------------------|
| 2019 | | | | | | |
| Governance and Legal | 99 | 2,774 | (2,675) | 84 | - | - |
| Communications and Engagement | - | 1,082 | (1,082) | - | - | - |
| Community and Planning | 6,963 | 18,514 | (11,551) | 3,562 | - | - |
| Operations and Infrastructure | 27,109 | 68,240 | (41,131) | 15,960 | 27,108 | 937,305 |
| Economic Development and Tourism | 608 | 3,611 | (3,003) | 157 | - | - |
| Corporate Services | 70,747 | 1,103 | 69,644 | 1,804 | 140 | 525 |
| | 105,526 | 95,324 | 10,202 | 21,567 | 27,248 | 937,830 |
| 2018 | | | | | | |
| Governance and Legal | 351 | 2,807 | (2,456) | 115 | - | - |
| Communications and Engagement | - | 943 | (943) | - | - | - |
| Community and Planning | 6,970 | 17,765 | (10,795) | 3,390 | - | - |
| Operations and Infrastructure | 19,645 | 52,128 | (32,483) | 5,815 | 23,644 | 921,273 |
| Economic Development and Tourism | 518 | 2,907 | (2,389) | 73 | - | - |
| Corporate Services | 69,378 | 3,760 | 65,618 | 1,915 | 253 | 578 |
| | 96,862 | 80,310 | 16,552 | 11,308 | 23,897 | 921,851 |

Notes to the financial report for the year ended 30 June 2019

Note 3 Funding for the delivery of our services

3.1 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 2018-19 was \$20.11 billion (2017-18 \$15.99 billion).

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| General rates | 55,256 | 51,820 |
| Municipal charge | 1 | 2,238 |
| Waste management charge | 8,399 | 8,329 |
| Special rates and charges | 278 | 188 |
| Supplementary rates and rate adjustments | 405 | 103 |
| Interest on rates | 441 | 453 |
| Total rates and charges | 64,780 | 63,131 |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation will be first applied in the rating year commencing 1 July 2018.

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.

3.2 Statutory fees and fines

| | | |
|---------------------------------------|--------------|--------------|
| Infringements and costs | 385 | 469 |
| Court recoveries | [3] | 15 |
| Town planning fees | 749 | 769 |
| Land information certificates | 42 | 42 |
| Animal infringements | 34 | 56 |
| Permits | 258 | 207 |
| Total statutory fees and fines | 1,465 | 1,558 |

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.

3.3 User fees

| | | |
|--------------------------------|---------------|--------------|
| Aged services | 191 | 184 |
| Leisure centre and recreation | 7,738 | 5,204 |
| Child care/children's programs | 302 | 355 |
| Registration and other permits | 786 | 737 |
| Building services | 80 | 27 |
| Waste management services | 521 | 580 |
| Subdivision supervision | 289 | 283 |
| Pound release | 38 | 48 |
| Adult education | 339 | 353 |
| Edendale farm | 250 | 280 |
| Environmental health | 250 | 245 |
| Hall and sport ground hire | 528 | 493 |
| Other fees and charges | 190 | 172 |
| Total user fees | 11,502 | 8,961 |

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

Notes to the financial report for the year ended 30 June 2019

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

3.4 Funding from other levels of government

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Grants were received in respect of the following: | | |
| Summary of grants | | |
| Commonwealth funded grants | 4,504 | 5,691 |
| State funded grants | 17,063 | 5,617 |
| Total grants received | 21,567 | 11,308 |

(a) Operating Grants

Recurrent – Commonwealth Government

| | | |
|--|-------|-------|
| Aged care | 1,182 | 1,054 |
| Community health | - | 8 |
| Community planning | - | 50 |
| Family and children | 245 | 97 |
| Commonwealth Financial Assistance Grants | 2,907 | 3,066 |
| Other | - | 5 |

Recurrent – State Government

| | | |
|-----------------------------|-----|-----|
| Adult education | 325 | 514 |
| Arts | - | 2 |
| Community health | 59 | 61 |
| Community planning | - | 14 |
| Disability support | 368 | 427 |
| Environment | 86 | 15 |
| Family and children | 843 | 666 |
| Metro access | 145 | 139 |
| Recreation | - | 10 |
| School crossing supervisors | 224 | 226 |
| Waste | - | 57 |

| | | |
|---|--------------|--------------|
| Total recurrent operating grants | 6,384 | 6,411 |
|---|--------------|--------------|

Non-recurrent – State Government

| | | |
|----------------------|-----|-----|
| Adult education | 40 | 40 |
| Arts | 59 | - |
| Community planning | 35 | 53 |
| Emergency management | 172 | 115 |
| Environment | 423 | 379 |
| Family and children | 105 | 95 |
| Planning | - | 5 |
| Recreation | 24 | - |
| Other | - | 72 |

| | | |
|---|------------|------------|
| Total non-recurrent operating grants | 858 | 759 |
|---|------------|------------|

| | | |
|-------------------------------|--------------|--------------|
| Total operating grants | 7,242 | 7,170 |
|-------------------------------|--------------|--------------|

Notes to the financial report for the year ended 30 June 2019

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

3.4 Funding from other levels of government (cont.)

(b) Capital Grants

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Non-recurrent – Commonwealth Government | | |
| Recreation | 170 | - |
| Bridges | - | 683 |
| Roads | - | 328 |
| Roads to recovery | - | 400 |
| Non-recurrent – State Government | | |
| Emergency management | 25 | 35 |
| Environment | 191 | 2 |
| Family and children | 81 | - |
| Footpaths | - | - |
| Playgrounds | 3,087 | 50 |
| Recreation | 9,759 | 2,640 |
| Roads | 1,012 | - |

| | | |
|---|---------------|--------------|
| Total non-recurrent capital grants | 14,325 | 4,138 |
|---|---------------|--------------|

| | | |
|-----------------------------|---------------|--------------|
| Total capital grants | 14,325 | 4,138 |
|-----------------------------|---------------|--------------|

Unspent grants received on condition that they be spent in a specific manner

| | | |
|---|---------|---------|
| Balance at start of year | 5,777 | 2,167 |
| Received during the financial year and remained unspent at balance date | 14,820 | 5,772 |
| Received in prior years and spent during the financial year | (4,808) | (2,162) |

| | | |
|----------------------------|---------------|--------------|
| Balance at year end | 15,789 | 5,777 |
|----------------------------|---------------|--------------|

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured.

3.5 Contributions

| | | |
|--------------|-------|-------|
| Monetary | 2,048 | 2,589 |
| Non-monetary | 1,835 | 5,100 |

| | | |
|----------------------------|--------------|--------------|
| Total contributions | 3,883 | 7,689 |
|----------------------------|--------------|--------------|

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

| | | |
|----------------|-------|-------|
| Infrastructure | 1,845 | 5,100 |
|----------------|-------|-------|

| | | |
|---|--------------|--------------|
| Total non-monetary contributions | 1,845 | 5,100 |
|---|--------------|--------------|

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

Notes to the financial report for the year ended 30 June 2019

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

| | 2019 \$'000 | 2018 \$'000 |
|---------------------------------------|----------------|----------------|
| Proceeds of sale | 2,329 | 5,473 |
| Written down value of assets disposed | (5,550) | (4,122) |

| | | |
|---|----------------|--------------|
| Total net gain/(loss) on disposal of property, infrastructure, plant and equipment | (3,221) | 1,351 |
|---|----------------|--------------|

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

3.7 Other income

| | | |
|--------------------------------|-------|-----|
| Interest | 1,082 | 955 |
| Other rent | 367 | 319 |
| Reimbursements | 338 | 778 |
| Sale of valuations | 168 | 18 |
| WorkCover insurance recoveries | 362 | 168 |
| Planning | 50 | 57 |
| Other | 228 | 529 |

| | | |
|---------------------------|--------------|--------------|
| Total other income | 2,595 | 2,824 |
|---------------------------|--------------|--------------|

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

Note 4 The cost of delivering services

4.1 Employee costs

| | | |
|---------------------|--------|--------|
| Wages and salaries | 29,699 | 28,912 |
| WorkCover | 317 | 317 |
| Superannuation | 2,768 | 2,437 |
| Fringe benefits tax | 70 | 136 |
| Other | 1,356 | 182 |

| | | |
|-----------------------------|---------------|---------------|
| Total employee costs | 34,210 | 31,984 |
|-----------------------------|---------------|---------------|

(a) Superannuation

Council made contributions to the following funds:

Defined benefit fund

| | | |
|---|-----|-----|
| Employer contributions to <i>Local Authorities Superannuation Fund (Vision Super)</i> | 162 | 129 |
| Employer contributions – other funds | - | - |

| | | |
|--|------------|------------|
| | 162 | 129 |
|--|------------|------------|

| | | |
|--|----------|----------|
| Employer contributions payable at reporting date. | - | - |
|--|----------|----------|

Accumulation funds

| | | |
|---|-------|-------|
| Employer contributions to <i>Local Authorities Superannuation Fund (Vision Super)</i> | 1,572 | 1,531 |
| Employer contributions – other funds | 1,034 | 906 |

| | | |
|--|--------------|--------------|
| | 2,606 | 2,437 |
|--|--------------|--------------|

| | | |
|---|----------|-----------|
| Employer contributions payable at reporting date | - | 98 |
|---|----------|-----------|

Refer to note 9.3 for further information relating to Council's superannuation obligations. Employee benefits disclosed in the comprehensive income statement are marginally lower than those disclosed within the cash flow statement, reflecting the movement in the employee benefits provision during the financial year.

Notes to the financial report for the year ended 30 June 2019

Note 4 The cost of delivering services (cont.)

4.2 Materials and services

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Contract payments – leisure and recreation | 9,143 | 6,769 |
| Contract payments – agency and temporary staffing | 2,052 | 1,363 |
| Contract payments – home and community care services | 1,133 | 1,274 |
| Contract payments – waste | 5,499 | 1,853 |
| Contract payments – other | 99 | 276 |
| Building maintenance | 332 | 296 |
| Materials, maintenance and equipment | 10,605 | 9,530 |
| Utilities | 1,269 | 1,113 |
| Office administration | 852 | 817 |
| Information technology and telephone | 1,784 | 1,765 |
| Insurance premiums | 1,114 | 967 |
| Consultants | 2,755 | 2,428 |
| Emergency management | 312 | 309 |
| Waste management | 1,317 | 1,280 |
| Other | 536 | 348 |
| Total materials and services | 38,802 | 30,388 |

4.3 Depreciation

| | | |
|---------------------------|---------------|---------------|
| Property | 117 | 114 |
| Buildings | 1,245 | 1,220 |
| Plant and equipment | 974 | 1,028 |
| Infrastructure | 9,314 | 8,753 |
| Total depreciation | 11,650 | 11,115 |

Refer to note 6.2 for a detailed breakdown of depreciation

4.4 Bad and doubtful debts

| | | |
|-------------------------------------|-----------|-----------|
| Parking fine debtors* | 32 | 52 |
| Bad debts | - | 1 |
| Total bad and doubtful debts | 32 | 53 |

* 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.

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.5 Borrowing costs

| | | |
|------------------------------|------------|------------|
| Interest on borrowings | 767 | 812 |
| Total borrowing costs | 767 | 812 |

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.

Notes to the financial report for the year ended 30 June 2019

Note 4 The cost of delivering services (cont.)

4.6 Other expenses

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Auditors' remuneration – VAGO – audit of the financial statements, performance statement | 65 | 62 |
| Auditors' remuneration – internal and grant acquittals | 160 | 99 |
| Councillors' allowances | 255 | 244 |
| Operating lease rentals | 1,017 | 951 |
| Other | 2,384 | 1,908 |
| Total other expenses | 3,881 | 3,264 |

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

| | | |
|--|---------------|---------------|
| Cash on hand | 7 | 7 |
| Cash at bank | 3,236 | 3,278 |
| Term deposits | 41,011 | 43,385 |
| Total cash and cash equivalents | 44,254 | 46,670 |

(b) Other financial assets

| | | |
|-------------------------------------|---------------|---------------|
| Current | | |
| Term deposits | 1,000 | 1,000 |
| Non-current | | |
| Investment – MAPS | 5 | 5 |
| Total other financial assets | 1,005 | 1,005 |
| Total financial assets | 45,259 | 47,675 |

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

| | | |
|---|---------------|---------------|
| Trust funds and deposits (note 5.3(b)) | 2,050 | 1,648 |
| Net increase in restricted assets resulting from grant revenues | 15,789 | 5,777 |
| Statutory cash backed and capital works reserves | 10,344 | 11,352 |
| Total restricted funds | 28,183 | 18,777 |

| | | |
|---|---------------|---------------|
| Total unrestricted cash and cash equivalents | 16,071 | 27,893 |
|---|---------------|---------------|

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) | 4,500 | 5,300 |
|--|--------------|--------------|

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of ninety-three days/three months or less, net of outstanding bank overdrafts. Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense. Investments in MAPS and the Local Government Health Plan are valued at cost. Any dividends paid are taken up as revenue.

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.1 Financial assets (cont.)

(c) Trade and other receivables

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Current | | |
| <i>Statutory receivables</i> | | |
| Rates debtors | 6,528 | 5,821 |
| Special charge scheme debtors | 648 | 674 |
| Parking infringement debtors | 547 | 541 |
| Provision for doubtful debts | (374) | (342) |
| <i>Non-statutory receivables</i> | | |
| Other debtors | 1,946 | 694 |
| Net GST receivable | 605 | 644 |
| Total current trade and other receivables | 9,900 | 8,032 |
| Non-current | | |
| <i>Statutory receivables</i> | | |
| Special rate scheme | 902 | 550 |
| Total non-current trade and other receivables | 902 | 550 |
| Total trade and other receivables | 10,802 | 8,582 |

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

i) Ageing of Receivables

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

| | | |
|--|--------------|--------------|
| Current (not yet due) | 2,434 | 1,281 |
| Past due by up to 30 days | 13 | 21 |
| Past due between 31 and 180 days | 53 | 1 |
| Past due between 181 and 365 days | 13 | - |
| Past due by more than 1 year | 38 | 35 |
| Total trade and other receivables | 2,551 | 1,338 |

ii) Movement in provisions for doubtful debts

| | | |
|---|------------|------------|
| Balance at the beginning of the year | 342 | 290 |
| New provisions recognised during the year | 32 | 53 |
| Amounts already provided for and written off as uncollectible | - | (1) |
| Balance at end of year | 374 | 342 |

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.2 Non-financial assets

(a) Inventories

| | 2019 \$'000 | 2018 \$'000 |
|--------------------------|----------------|----------------|
| Fuel | 27 | 22 |
| Total inventories | 27 | 22 |

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.

(b) Other assets

| | 2019 \$'000 | 2018 \$'000 |
|-----------------------------------|----------------|----------------|
| Current | | |
| Prepayments | 1,018 | 1,699 |
| Accrued income | 5,072 | 2,677 |
| Total current other assets | 6,090 | 4,376 |

5.3 Payables

(a) Trade and other payables

| | | |
|---------------------------------------|---------------|--------------|
| Trade payables | 2,501 | 2,663 |
| Accrued expenses | 8,146 | 6,176 |
| Prepaid income | 60 | 65 |
| Net GST payable | - | - |
| Total trade and other payables | 10,707 | 8,904 |

(b) Trust funds and deposits

| | | |
|---------------------------|--------------|--------------|
| Refundable deposits | 378 | 337 |
| Retention amounts | 785 | 525 |
| Other refundable deposits | 887 | 786 |
| Total | 2,050 | 1,648 |

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

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

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

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

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.4 Interest-bearing liabilities

| | 2019 \$'000 | 2018 \$'000 |
|----------------------|----------------|----------------|
| Current | | |
| Borrowings – secured | 2,794 | 2,121 |
| | 2,794 | 2,121 |
| Non-current | | |
| Borrowings – secured | 9,298 | 10,615 |
| | 9,298 | 10,615 |
| Total | 12,092 | 12,736 |

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

| | | |
|---|---------------|---------------|
| Not later than one year | 2,794 | 2,121 |
| Later than one year and not later than five years | 5,830 | 5,792 |
| Later than five years | 3,468 | 4,823 |
| Total | 12,092 | 12,736 |

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.

All borrowings taken out by Council can be secured through two avenues, against Council's fixed asset portfolio or the rates levied by Council. The overall balance of secured borrowings accounts for 0.129 per cent of the total fixed asset portfolio, or 22 per cent of general rates and municipal charge levied in the 2018-19 financial year.

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.5 Provisions

| | Employee \$'000 | Landfill \$'000 | Total \$'000 |
|---|--------------------|--------------------|-----------------|
| 2019 | | | |
| Balance at beginning of the financial year | 7,239 | 7,138 | 14,377 |
| Additional provisions | 3,283 | 2,879 | 6,162 |
| Amounts used | (3,774) | (2,754) | (6,528) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | - | 684 | 684 |
| Balance at the end of the financial year | 6,748 | 7,947 | 14,695 |
| 2018 | | | |
| Balance at beginning of the financial year | 7,661 | 8,494 | 16,155 |
| Additional provisions | 3,027 | - | 3,027 |
| Amounts used | (3,449) | - | (3,449) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | - | (1,356) | (1,356) |
| Balance at the end of the financial year | 7,239 | 7,138 | 14,377 |

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
|--|----------------|----------------|

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

| | | |
|--------------------|--------------|--------------|
| Annual leave | 689 | 718 |
| Long service leave | 858 | 899 |
| | 1,547 | 1,617 |

Current provisions expected to be wholly settled after 12 months

| | | |
|--------------------|--------------|--------------|
| Annual leave | 1,398 | 1,458 |
| Long service leave | 3,434 | 3,595 |
| | 4,832 | 5,053 |

| | | |
|---------------------------------|--------------|--------------|
| Total current provisions | 6,379 | 6,670 |
|---------------------------------|--------------|--------------|

Non-current

| | | |
|--------------------|-----|-----|
| Long service leave | 369 | 569 |
|--------------------|-----|-----|

| | | |
|-------------------------------------|------------|------------|
| Total non-current provisions | 369 | 569 |
|-------------------------------------|------------|------------|

Aggregate carrying amount of employee provisions

| | | |
|-------------|-------|-------|
| Current | 6,379 | 6,670 |
| Non-current | 369 | 569 |

| | | |
|---|--------------|--------------|
| Total aggregate carrying amount of employee provisions | 6,748 | 7,239 |
|---|--------------|--------------|

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.5 Provisions (cont.)

(a) Employee provisions (continued)

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

Wages and salaries and annual leave

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

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

Long service leave

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

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Key assumptions: | | |
| - Weighted average increase in employee costs | 1.90% | 3.70% |
| - Weighted average discount rates | 0.76% | 2.31% |

(b) Land fill restoration

| | | |
|-------------|-------|-------|
| Current | 1,714 | - |
| Non-current | 6,233 | 7,138 |

| | | |
|------------------------------------|--------------|--------------|
| Total land fill restoration | 7,947 | 7,138 |
|------------------------------------|--------------|--------------|

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.

| | | |
|---|-------|-------|
| Key assumptions: | | |
| - Discount rate | 0.97% | 2.61% |
| - Estimated remaining costs to rehabilitate | 8,260 | 9,913 |

The estimated cost to rehabilitate both landfill sites reflects the contracted rehabilitation cost of the Plenty Landfill site plus additional compliance expenditure, with the same costing assumed for Kangaroo Ground based on all known rehabilitation requirements. Rehabilitation of both landfill sites is underpinned by EPA requirements which are reflected in rehabilitation contract.

(c) Aggregate carrying amount of provisions

| | | |
|-------------|-------|-------|
| Current | 8,093 | 6,670 |
| Non-current | 6,602 | 7,707 |

| | | |
|--------------|---------------|---------------|
| Total | 14,695 | 14,377 |
|--------------|---------------|---------------|

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.6 Financing arrangements

Council has the following funding arrangements in place as at 30 June 2019.

| | 2019 \$'000 | 2018 \$'000 |
|--------------------------|----------------|----------------|
| Credit card facilities | 153 | 153 |
| Total facilities | 153 | 153 |
| Used facilities | 30 | 21 |
| Unused facilities | 123 | 132 |
| Total | 153 | 153 |

5.7 Commitments

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

| | Not later than 1 year \$'000 | Later than 1 year and not later than 2 years \$'000 | Later than 2 years and not later than 5 years \$'000 | Later than 5 years \$'000 | Total \$'000 |
|------------------------|------------------------------------|---|--|---------------------------------|-----------------|
| 2019 | | | | | |
| Operating | | | | | |
| Arts and culture | 11 | 9 | 11 | - | 31 |
| Business and tourism | 24 | - | - | - | 24 |
| Community | 1,172 | 10 | 5 | - | 1,187 |
| Fleet | 980 | - | - | - | 980 |
| Infrastructure | 913 | 37 | - | - | 950 |
| Integrated strategy | 47 | - | - | - | 47 |
| Open space | 66 | - | - | - | 66 |
| Organisational support | 933 | 267 | 450 | - | 1,650 |
| Sport and leisure | 3 | - | - | - | 3 |
| Waste | 78 | - | - | - | 78 |
| Total | 4,227 | 323 | 466 | - | 5,016 |
| Capital | | | | | |
| Land | 1,684 | 123 | 125 | - | 1,932 |
| Buildings | 6,348 | 9 | 26 | - | 6,383 |
| Infrastructure | 959 | - | - | - | 959 |
| Total | 8,991 | 132 | 151 | - | 9,274 |

Notes to the financial report for the year ended 30 June 2019

Note 5 Our financial position (cont.)

5.7 Commitments (cont.)

| | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|----------------------------|-----------------------|--|---|--------------------|---------------|
| 2018 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating | | | | | |
| Buildings | 12 | - | - | - | 12 |
| Business and tourism | 8 | - | - | - | 8 |
| Community | 1,091 | 103 | - | - | 1,194 |
| Fleet | 1,005 | 715 | 582 | - | 2,302 |
| Infrastructure maintenance | 599 | 651 | 37 | - | 1,287 |
| Integrated strategy | 122 | - | - | - | 122 |
| Open space | 312 | - | - | - | 312 |
| Organisational support | 555 | 370 | 601 | - | 1,526 |
| Sport and leisure | 255 | 251 | - | - | 506 |
| Waste | 106 | 33 | - | - | 139 |
| Total | 4,065 | 2,123 | 1,220 | - | 7,408 |
| Capital | | | | | |
| Land | 3,570 | - | - | - | 3,570 |
| Buildings | 9,178 | 433 | 26 | 9 | 9,646 |
| Infrastructure | 1,257 | - | - | - | 1,257 |
| Total | 14,005 | 433 | 26 | 9 | 14,473 |

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):

| | 2019 | 2018 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Not later than one year | 993 | 688 |
| Later than one year and not later than five years | 1,485 | 1,006 |
| Later than five years | 145 | 92 |
| Total | 2,623 | 1,786 |

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.

Note 6 Assets we manage

6.1 Non-current assets classified as held for sale

| | 2019 | 2018 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Opening balance | 5,158 | 3,000 |
| Written down value of non-current assets classified as held for sale – sold | (2,078) | - |
| Transfers in from Property (Land – non-specialised) | 527 | 2,158 |
| Total non-current assets classified as held for resale | 3,607 | 5,158 |

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

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

6.2 Property, infrastructure, plant and equipment Summary of property, infrastructure, plant and equipment

| | At fair value 30 June 2018 | Acquisitions | Contributions | Revaluation | Depreciation | Disposal | Transfers | At fair value 30 June 2019 |
|------------------------------------|----------------------------|--------------------|------------------|-------------------|------------------|--------------------|--------------|----------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | 423,235 | 368 | - | - | (117) | - | (527) | 422,959 |
| Buildings | 36,008 | 1,197 | - | 605 | (1,245) | - | 943 | 37,508 |
| Plant and equipment | 6,017 | 431 | - | - | (974) | (223) | - | 5,251 |
| Infrastructure | 432,525 | 11,053 | 1,845 | 2,998 | (9,314) | (3,285) | 19,351 | 455,173 |
| Work in progress | 24,066 | 14,309 | - | - | - | (876) | (20,560) | 16,939 |
| Total | 921,851 | 27,358 | 1,845 | 3,603 | (11,650) | (4,384) | (793) | 937,830 |
| Summary of work in progress | | Opening WIP | Additions | Write Offs | Transfers | Closing WIP | | |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | |
| Land | | 2,014 | 321 | (845) | (8) | 1,482 | | |
| Buildings | | 2,519 | 9,056 | - | (1,639) | 9,936 | | |
| Plant and equipment | | - | - | - | - | - | | |
| Infrastructure | | 19,533 | 4,932 | (31) | (18,913) | 5,521 | | |
| Total | | 24,066 | 14,309 | (876) | (20,560) | 16,939 | | |

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

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

a) Property

| | 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 2018 | 1,704 | 416,569 | 5,734 | 424,007 | 10,292 | 59,207 | 313 | 69,812 | 4,533 | 498,352 | |
| At anticipated restoration cost 1 July 2018 | 11,401 | - | - | 11,401 | - | - | - | - | - | 11,401 | |
| Accumulated depreciation at 1 July 2018 | (11,401) | - | (772) | (12,173) | (3,894) | (29,638) | (272) | (33,804) | - | (45,977) | |
| Movements in fair value | | | | | | | | | | | |
| Acquisition of assets at fair value | - | - | 368 | 368 | - | 586 | 611 | 1,197 | 9,377 | 10,942 | |
| Revaluation increments/(decrements) | - | - | - | - | - | 603 | 30 | 633 | - | 633 | |
| Fair value of assets disposed | - | - | - | - | - | - | - | (845) | - | (845) | |
| Transfers | - | (527) | - | (527) | - | 342 | 601 | 943 | (1,647) | (1,231) | |
| | - | (527) | 368 | (159) | - | 1,531 | 1,242 | 2,773 | 6,885 | 9,499 | |
| Movements in accumulated depreciation | | | | | | | | | | | |
| Depreciation and amortisation | - | - | (117) | (117) | (117) | (1,109) | (35) | (1,245) | - | (1,362) | |
| Revaluation increments/(decrements) | - | - | - | - | (7) | (19) | (2) | (28) | - | (28) | |
| Accumulated depreciation of disposals | - | - | - | - | - | - | - | - | - | - | |
| Transfers | - | - | - | - | - | - | - | - | - | - | |
| | - | - | (117) | (117) | (108) | (1,128) | (37) | (1,273) | - | (1,390) | |
| Land and buildings | | | | | | | | | | | |
| At fair value 30 June 2019 | 1,704 | 416,042 | 6,102 | 423,848 | 10,292 | 60,738 | 1,555 | 72,585 | 11,418 | 507,851 | |
| At anticipated restoration cost 30 June 2019 | 11,401 | - | - | 11,401 | - | - | - | - | - | 11,401 | |
| Accumulated depreciation at 30 June 2019 | (11,401) | - | (889) | (12,290) | (4,002) | (30,766) | (309) | (35,077) | - | (47,367) | |
| | 1,704 | 416,042 | 5,213 | 422,959 | 6,290 | 29,972 | 1,246 | 37,508 | 11,418 | 471,885 | |

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

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

b) Plant and equipment

| | 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 2018 | 8,962 | 2,261 | 2,176 | 2,475 | 15,874 |
| Accumulated depreciation at 1 July 2018 | (5,998) | (2,050) | (1,809) | - | (9,857) |
| Movements in fair value | | | | | |
| Acquisition of assets at fair value | 291 | 15 | 125 | - | 431 |
| Contributed assets | - | - | - | - | - |
| Fair value of assets disposed | (740) | - | (1,342) | - | (2,082) |
| Impairment losses recognised in operating result | - | - | - | - | - |
| | (449) | 15 | (1,217) | - | (1,651) |
| Movements in accumulated depreciation | | | | | |
| Depreciation and amortisation | (797) | (97) | (80) | - | (974) |
| Revaluation increments/(decrements) | - | - | - | - | - |
| Accumulated depreciation of disposals | 533 | - | 1,326 | - | 1,859 |
| Impairment losses recognised in operating result | - | - | - | - | - |
| | (264) | (97) | 1,246 | - | 885 |
| Plant and equipment | | | | | |
| At fair value 30 June 2019 | 8,513 | 2,276 | 959 | 2,475 | 14,223 |
| Accumulated depreciation at 30 June 2019 | (6,262) | (2,147) | (563) | - | (8,972) |
| | 2,251 | 129 | 396 | 2,475 | 5,251 |

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

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

c) Infrastructure

| | Roads | Bridges | Footpaths, trails and cycleways | Drainage | Recreational, leisure and community | Kerb and channel management | Waste management | Parks, open spaces and streetscapes | Other infrastructure | Work in progress | Total infrastructure |
|--|----------------|---------------|---------------------------------|----------------|-------------------------------------|-----------------------------|------------------|-------------------------------------|----------------------|------------------|----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land and buildings | | | | | | | | | | | |
| At fair value 1 July 2018 | 259,665 | 15,480 | 2,6759 | 130,571 | 117,243 | 25,427 | 1,287 | 11,417 | 10,941 | 19,533 | 618,323 |
| Accumulated depreciation at 1 July 2018 | (41,350) | (5,256) | (11,822) | (41,316) | (45,830) | (9,175) | (1,202) | (3,145) | (7,169) | - | (166,265) |
| | 218,315 | 10,224 | 14,937 | 89,255 | 71,413 | 16,252 | 85 | 8,272 | 3,772 | 19,533 | 452,058 |
| Movements in fair value | | | | | | | | | | | |
| Acquisition of assets at fair value | 3,179 | 56 | 533 | 709 | 2,947 | 20 | - | 2,995 | 614 | 4,932 | 15,985 |
| Contributed assets | 341 | - | 59 | 1,316 | - | 129 | - | - | - | - | 1,845 |
| Revaluation increments/ (decrements) | (217) | (102) | (1,837) | 109 | 6,577 | 2 | - | 302 | - | - | 4,834 |
| Fair value of assets disposed | (1,018) | - | (8) | - | (8,220) | - | - | - | - | (31) | (9,277) |
| Transfers | 1,431 | - | - | - | 17,787 | - | - | 99 | 34 | (18,913) | 438 |
| | 3,716 | (46) | (1,253) | 2,134 | 19,091 | 151 | - | 3,396 | 648 | (14,012) | 13,825 |
| Movements in accumulated depreciation | | | | | | | | | | | |
| Depreciation and amortisation | (2,943) | (151) | (752) | (1,448) | (2,481) | (522) | (85) | (513) | (419) | - | (9,314) |
| Revaluation increments/ (decrements) | 975 | 1 | 623 | (3,421) | (15) | 1 | - | - | - | - | (1,836) |
| Accumulated depreciation of disposals | 147 | - | 5 | - | 5,809 | - | - | - | - | - | 5,961 |
| Transfers | - | - | - | - | - | - | - | - | - | - | - |
| | (1,821) | (150) | (124) | (4,869) | 3,313 | (521) | (85) | (513) | (419) | - | (5,189) |
| Infrastructure | | | | | | | | | | | |
| At fair value 30 June 2019 | 263,381 | 15,434 | 25,506 | 132,705 | 136,334 | 25,578 | 1,287 | 14,813 | 11,589 | 5,521 | 632,148 |
| Accumulated depreciation at 30 June 2019 | (43,171) | (5,406) | (11,946) | (46,185) | (42,517) | (9,696) | (1,287) | (3,658) | (7,588) | - | (171,454) |
| | 220,210 | 10,028 | 13,560 | 86,520 | 93,817 | 15,882 | - | 11,155 | 4,001 | 5,521 | 460,694 |

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

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

Acquisition

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

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

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

Asset recognition thresholds

| Property | Useful life Years | Threshold \$ |
|---------------------------------------|-------------------|--------------|
| Land | Indefinite | Nil |
| Playgrounds | 10-15 | 1,000 |
| Land improvements | 50 | 5,000 |
| Buildings | 50-100 | 5,000 |
| Plant and Equipment | | |
| Plant and machinery | 6-7 | 1,000 |
| Motor vehicles | 6-7 | Nil |
| Furniture, fittings and computers | 6-7 | 1,000 |
| Artwork | Indefinite | 500 |
| Infrastructure | | |
| Road surface | 12-30 | 5,000 |
| Road pavement | 50-80 | 5,000 |
| Road formation and earthworks | - | 5,000 |
| Road kerb, channel and minor culverts | 50 | 5,000 |
| Traffic treatments/ calming | 5-50 | 5,000 |
| Major bridge culverts | 50-100 | 5,000 |
| Bridges - concrete/steel | 100 | 5,000 |
| Bridges - timber | 50 | 5,000 |
| 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 |

Land under roads

Council recognises land under roads it controls at fair value.

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

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

Depreciation and amortisation

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

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

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

Artworks are not depreciated.

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

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

Repairs and maintenance

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.

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 unserved) 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 2019 are as follows:

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | DoV \$'000 |
|-----------------------------|-------------------|-------------------|-------------------|---------------|
| Land – specialised | - | 1,704 | - | Jun-19 |
| Land – non-specialised | - | 416,042 | - | Jun-19 |
| Land improvements | - | - | 5,213 | Jun-19 |
| Buildings – heritage | - | - | 6,290 | Jun-19 |
| Buildings – specialised | - | - | 29,972 | Jun-19 |
| Buildings – non-specialised | - | - | 1,246 | Jun-19 |
| Total | - | 417,746 | 42,721 | |

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

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

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Council's Director Operations and Infrastructure, Mr Hjalmar Philipp, Bachelor of Engineering (Civil), Graduate Diploma in Municipal Engineering, and MBA (Technology Management).

The date of the current valuation is detailed in the following table. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | DoV \$'000 |
|-------------------------------------|-------------------|-------------------|-------------------|---------------|
| Roads | - | - | 220,210 | Jun-19 |
| Bridges | - | - | 10,028 | Jun-19 |
| Footpaths and cycleways | - | - | 13,560 | Jun-19 |
| Drainage | - | - | 86,520 | Jun-19 |
| Recreational, leisure and community | - | - | 93,817 | Jun-19 |
| Kerb and channel | - | - | 15,882 | Jun-19 |
| Waste management | - | - | - | Jun-19 |
| Parks, open spaces and streetscapes | - | - | 11,155 | Jun-19 |
| Other infrastructure | - | - | 4,001 | Jun-19 |
| Total | - | - | 455,173 | |

Description of significant unobservable inputs into level 3 valuations.

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

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

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$230 to \$3,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 50 years to 100 years.

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

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.

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Reconciliation of specialised land | | |
| Land under roads | 1,704 | 1,704 |
| 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 | 1,704 | 1,704 |

Notes to the financial report for the year ended 30 June 2019

Note 6 Assets we manage (cont.)

6.3 Investment in associate

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
|--|----------------|----------------|

Investments in associate accounted for by the equity method is:
- Yarra Plenty Regional Library Service

| | | |
|--|-------|-------|
| | 1,330 | 1,597 |
|--|-------|-------|

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 decreased by \$265,802 (increase of \$39,619 in 2017/18) due to the decrease in the net assets position of the Corporation (audited at 30 June 2019). Council's equity interest based on contributions is 21.19 per cent.

| | | |
|--|--------------|--------------|
| Fair value of Council's investment in Yarra Plenty Regional Library Service | 1,330 | 1,597 |
| Council's share of accumulated surplus/(deficit) | | |
| Council's share of accumulated surplus/(deficit) at start of year | 802 | 654 |
| Share of net profits/(losses) of associate | (270) | 148 |
| Council's share of accumulated surplus/(deficit) at end of year | 532 | 802 |
| Movement in carrying value of specific investment | | |
| Carrying value of investment at start of year | 1,597 | 1,557 |
| Share of surplus/(deficit) for year | (266) | 40 |
| Carrying value of investment at end of year | 1,331 | 1,597 |
| Council's share of expenditure commitments | | |
| Operating commitments | 1,356 | 74 |
| Capital commitments | 242 | 65 |
| Council's share of expenditure commitments | 1,598 | 139 |
| Council's share of contingent liabilities and contingent assets | - | - |
| Yarra Plenty Regional Library Service contributions | | |
| Contributions to associate | 2,761 | 2,694 |

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.

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

Notes to the financial report for the year ended 30 June 2019

Note 7 People and relationships

7.1 Council and key management remuneration

| | 2019 No. | 2018 No. |
|--|-------------|-------------|
|--|-------------|-------------|

(a) Related parties

Subsidiaries and associates

Interests in subsidiaries and associates are detailed in note 6.3.

(b) Key management personnel

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

Councillors

| | |
|----------------------|---------------------------|
| Cr Jane Ashton | (01/07/2018 – 30/06/2019) |
| Cr Grant Brooker | (01/07/2018 – 30/06/2019) |
| Cr Peter Clarke | (01/07/2018 – 30/06/2019) |
| Cr John Dumaresq | (01/07/2018 – 30/06/2019) |
| Cr Karen Egan, Mayor | (01/07/2018 – 30/06/2019) |
| Cr Peter Perkins | (01/07/2018 – 30/06/2019) |
| Cr Bruce Ranken | (01/07/2018 – 30/06/2019) |

Chief Executive Officer

| | |
|------------------|---------------------------|
| Mr Carl Cowie | (01/10/2018 – 30/06/2019) |
| Mr Mark Stoermer | (01/07/2018 – 31/08/2018) |

Key Management Personnel reporting directly to the CEO

| | |
|---|---------------------------|
| Mr Hjalmar Philipp, Director Sustainability and Place | (01/07/2018 – 30/06/2019) |
| Mr Matthew Kelleher, Director Services and Planning | (01/07/2018 – 17/05/2019) |
| Mr Vincenzo Lombardi, Chief Financial Officer | (01/07/2018 – 30/06/2019) |
| Ms Blaga Naumoski, Executive Manager Governance | (01/07/2018 – 30/06/2019) |
| Mr Mitchell Grayson, Executive Manager Communications and Engagement | (01/07/2018 – 30/06/2019) |
| Mr Jeremy Livingston, Executive Manager Organisation Performance | (01/07/2018 – 31/03/2019) |
| Ms Kylie Lethbridge, Executive Manager Economic Development and Tourism | (01/07/2018 – 30/06/2019) |
| Ms Corrienne Nichols, Executive Manager Community Services | (01/07/2018 – 30/06/2019) |
| Mr Adrian Cully, Director Business and Strategy | (01/07/2018 – 15/02/2019) |
| Ms Suzy Ellingsen, Executive Manager People, Culture and Innovation | (01/07/2018 – 19/02/2019) |

| | 2019 No. | 2018 No. |
|--|-------------|-------------|
|--|-------------|-------------|

| | | |
|--|----|----|
| Total number of Councillors | 7 | 7 |
| Chief Executive Officer and other key management personnel | 12 | 15 |

| | | |
|---------------------------------------|-----------|-----------|
| Total key management personnel | 19 | 22 |
|---------------------------------------|-----------|-----------|

**Notes to the financial report
for the year ended 30 June 2019**

Note 7 People and relationships

7.1 Council and key management remuneration (cont.)

(c) Remuneration of key management personnel

Total remuneration of key management personnel paid in 2018-19 was as follows:

| | 2019 | 2018 |
|----------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Short-term benefits | 2,578 | 2,124 |
| Long-term benefits | 159 | 144 |
| Termination benefits | 369 | 210 |
| Total | 3,106 | 2,478 |

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

| | 2019 | 2018 |
|-----------------------|-------------|-------------|
| | No. | No. |
| \$10,000 – \$19,999 | - | 1 |
| \$20,000 – \$29,999 | 5 | 8 |
| \$30,000 – \$39,999 | - | 1 |
| \$40,000 – \$49,999 | 1 | - |
| \$50,000 – \$59,999 | - | 1 |
| \$60,000 – \$69,000 | 1 | - |
| \$70,000 – \$79,999 | - | 2 |
| \$100,000 – \$109,999 | - | 1 |
| \$110,000 – \$119,000 | - | 1 |
| \$120,000 – \$129,999 | - | 1 |
| \$140,000 – \$149,999 | 1 | - |
| \$160,000 – \$169,999 | 1 | - |
| \$170,000 – \$179,999 | 2 | 1 |
| \$180,000 – \$189,999 | 1 | 2 |
| \$190,000 – \$199,999 | 1 | - |
| \$200,000 – \$209,999 | 1 | - |
| \$210,000 – \$219,999 | 2 | 2 |
| \$250,000 – \$259,999 | 1 | - |
| \$260,000 – \$269,999 | 1 | - |
| \$300,000 – \$309,999 | 1 | - |
| \$320,000 – \$329,999 | - | 1 |
| Total | 19 | 22 |

**Notes to the financial report
for the year ended 30 June 2019**

Note 7 People and relationships (cont.)

7.1 Council and key management remuneration (cont.)

(d) Senior officer remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000.

| The number of senior officers are shown below in their relevant income bands: | 2019 | 2018 |
|---|-------------|-------------|
| | No. | No. |
| \$60,000 – \$69,999 | 2 | - |
| \$130,000 – \$139,999 | 1 | - |
| \$140,000 – \$149,999 | - | 7 |
| \$150,000 – \$159,000 | 4 | - |
| \$160,000 – \$169,999 | 1 | - |
| \$170,000 – \$179,999* | 1 | 2 |
| \$190,000 – \$199,000* | 1 | - |
| \$290,000 – \$299,000 * | 1 | - |
| Total | 11 | 9 |

*Figures include long term and termination benefits paid

| Total Remuneration for the reporting year for senior officers included above, amounted to: | 2019 | 2018 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Total | 1,698 | 1,308 |

Notes to the financial report for the year ended 30 June 2019

Note 7 People and relationships (cont.)

7.2 Related party disclosure

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

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Purchase of property at public auction | - | - |
| Payment of invoices to related party supplier for services rendered | - | - |
| Total transactions with related parties | - | - |

(b) Outstanding balances with related parties

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

(c) 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.

(d) 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 ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) 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.

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Total contributions – non monetary received by Council | 1,835 | 5,100 |

(b) 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, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

Council has paid no unfunded liability payments to Vision Super. There were no contributions outstanding (\$18,388 as at 30 June 2018) and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 is \$0.16 million (\$0.13 million as at 30 June 2018).

Legal matters

One legal matter is yet to be resolved whereby Council's exposure cannot be quantified. No allowance has been made in the financial report for contingencies of a legal nature.

Council is currently reviewing three public liability claims. Council's exposure is limited to the insurance excess of \$20,000 per claim.

Building cladding

Council has not identified any potential contingent liability that exists in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Total guarantees for loans to other entities | 1,069 | 974 |

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.

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.

Notes to the financial report for the year ended 30 June 2019

Note 8 Managing uncertainties (cont.)

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 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 2019/20 for LG sector)

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.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for not-for-profit entities (AASB 2016-7) (applies 2019/20)

This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

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 elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$1.63 million in lease related assets and an equivalent liability.

Income of not-for-profit entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of 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.

Notes to the financial report for the year ended 30 June 2019

Note 8 Managing uncertainties (cont.)

8.3 Financial instruments (cont.)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes 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; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(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. Council have exposure to credit risk on some financial assets included in our balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council 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.

Council 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 8.1.

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of 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.

Notes to the financial report for the year ended 30 June 2019

Note 8 Managing uncertainties (cont.)

8.3 Financial Instruments (cont.)

(d) Liquidity risk (cont.)

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 8.1(c), 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 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1 per cent and -1 per cent in market interest rates (AUD) from year-end rates of 1.65 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.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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.

Notes to the financial report for the year ended 30 June 2019

Note 8 Managing uncertainties (cont.)

8.4 Fair value measurement (cont.)

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.

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 2018.

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.

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.

8.5 Events occurring after balance date

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

Notes to the financial report for the year ended 30 June 2019

Note 9 Other matters

9.1 Reserves

| (a) Asset revaluation reserve | Balance at beginning of reporting period | Increment/ (decrement) | Balance at end of reporting period |
|---|--|------------------------|------------------------------------|
| | \$'000 | \$'000 | \$'000 |
| 2019 | | | |
| Property | | | |
| Land, land improvements and playgrounds | 322,349 | 302 | 322,651 |
| Buildings | 43,180 | 7,167 | 50,347 |
| Total property | 365,529 | 7,469 | 372,998 |
| 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 | 91,334 | 748 | 92,082 |
| Bridges | 3,416 | (101) | 3,315 |
| Footpaths and cycleways | 762 | (1,214) | (452) |
| Drainage | 45,326 | (3,312) | 42,014 |
| Kerb and channel | 8,306 | 3 | 8,309 |
| Traffic treatments | 6,965 | 10 | 6,975 |
| Other infrastructure | 401 | - | 401 |
| Total infrastructure | 156,510 | (3,866) | 152,644 |
| Total asset revaluation reserves | 524,631 | 3,603 | 528,235 |
| 2018 | | | |
| Property | | | |
| Land, land improvements and playgrounds | 191,818 | 130,531 | 322,349 |
| Buildings | 13,526 | 29,654 | 43,180 |
| Total property | 205,344 | 160,185 | 365,529 |
| 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, earthworks | 90,490 | 844 | 91,334 |
| Bridges | 3,916 | (500) | 3,416 |
| Footpaths and cycleways | 2,742 | (1,980) | 762 |
| Drainage | 43,367 | 1,959 | 45,326 |
| Kerb and channel | 8,139 | 167 | 8,306 |
| Traffic treatments | 8,659 | (1,694) | 6,965 |
| Other infrastructure | 401 | - | 401 |
| Total infrastructure | 157,714 | (1,204) | 156,510 |
| Total asset revaluation reserves | 365,651 | 158,981 | 524,632 |

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

Notes to the financial report for the year ended 30 June 2019

Note 9 Other matters (cont.)

9.1 Reserves (cont.)

(b) Other reserves

Statutory reserves are those for which Council is required to separately account for by statute. Funds are held for specific purposes as described in the reserve account name.

Discretionary Reserves are those for which Council does have discretion over the manner in which funds are expended. Funds held in these reserve accounts are held for the purposes describe in the reserve account name.

| | Balance at beginning of reporting period | Net of transfer to / (from) accum. surplus | Balance at end of reporting period |
|---|--|--|------------------------------------|
| | \$'000 | \$'000 | \$'000 |
| 2019 | | | |
| Statutory cash backed reserves | | | |
| Car parks | 97 | - | 97 |
| Development planning overlays: infrastructure | 2,975 | (285) | 2,690 |
| Development contribution plans: open space | 2,443 | (87) | 2,356 |
| Development contribution construction | 191 | 5 | 196 |
| Native vegetation | 245 | 2 | 247 |
| Open space | 1,504 | 477 | 1,981 |
| Street light contributions | 28 | - | 28 |
| Street trees | 76 | - | 76 |
| Yarrambat drainage scheme | 467 | (10) | 457 |
| Yarrambat drainage extension area | 157 | 4 | 161 |
| Total cash backed statutory reserves | 8,183 | 106 | 8,289 |
| Discretionary reserves | | | |
| Bridgeford Estate | 50 | (2) | 48 |
| Carried forward projects | 14,667 | 3,732 | 18,399 |
| Cricket pitch renewal | 5 | 3 | 8 |
| Defined benefit superannuation potential future calls | 1,341 | 114 | 1,455 |
| Grants program management | 59 | (59) | - |
| Information technology | 986 | 1 | 987 |
| Leisure facility improvements | 412 | (57) | 355 |
| MAV bond repayment | 4,828 | 555 | 5,383 |
| Major projects | 1,767 | (1,643) | 124 |
| Plant replacement | 3,046 | (234) | 2,812 |
| Plenty and Kangaroo Ground landfill restoration | 3,119 | (1,112) | 2,007 |
| Public art program | 154 | 46 | 200 |
| Special rates | 10 | (10) | - |
| Total discretionary reserves | 30,444 | 1,334 | 31,778 |
| Total other reserves | 38,627 | 1,440 | 40,067 |

Notes to the financial report for the year ended 30 June 2019

Note 9 Other matters (cont.)

9.1 Reserves (cont.)

(b) Other reserves (cont.)

| | Balance at beginning of reporting period \$'000 | Net of transfer to/ (from) accum. surplus \$'000 | Balance at end of reporting period \$'000 |
|---|---|--|---|
| 2018 | | | |
| Statutory cash backed reserves | | | |
| Car parks | 97 | - | 97 |
| Development planning overlays: infrastructure | 2,810 | 165 | 2,975 |
| Development contribution plans: open space | 2,102 | 341 | 2,443 |
| Development contribution construction | 186 | 5 | 191 |
| Native vegetation | 230 | 15 | 245 |
| Open space | 1,015 | 489 | 1,504 |
| Street light contributions | 28 | - | 28 |
| Street trees | 76 | - | 76 |
| Yarrambat drainage scheme | 424 | 43 | 467 |
| Yarrambat drainage extension area | 153 | 4 | 157 |
| Total cash backed statutory reserves | 7,121 | 1,062 | 8,183 |
| Discretionary reserves | | | |
| Bridgeford Estate | 50 | - | 50 |
| Carried forward projects | 12,598 | 2,069 | 14,667 |
| Cricket pitch renewal | 2 | 3 | 5 |
| Defined benefit superannuation potential future calls | 1,341 | - | 1,341 |
| Grants program management | 62 | (3) | 59 |
| Information technology | 987 | (1) | 986 |
| Leisure facility improvements | 377 | 35 | 412 |
| MAV bond repayment | 3,352 | 1,476 | 4,828 |
| Major projects | 5,346 | (3,579) | 1,767 |
| Plant replacement | 2,543 | 503 | 3,046 |
| Plenty and Kangaroo Ground landfill restoration | 3,241 | (122) | 3,119 |
| Public art program | 167 | (13) | 154 |
| Rates surplus | 162 | (162) | - |
| Special rates | 10 | - | 10 |
| Total discretionary reserves | 30,238 | 206 | 30,444 |
| Total other reserves | 37,359 | 1,268 | 38,627 |

c) Statutory cash backed and capital works reserves

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Statutory cash backed reserves | 8,289 | 8,183 |
| Discretionary reserves: | | |
| Bridgeford Estate | 48 | 50 |
| Plenty and Kangaroo Ground landfill restoration | 2,007 | 3,119 |
| Total externally restricted reserves | 10,344 | 11,352 |

Notes to the financial report for the year ended 30 June 2019

Note 9 Other matters (cont.)

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Surplus/(deficit) for the year | 10,202 | 16,552 |
| Depreciation | 11,650 | 11,115 |
| (Profit)/loss on disposal of property, infrastructure, plant and equipment | 3,221 | (1,351) |
| Share of net (profits)/losses of associate | 266 | (40) |
| Contributions – non-monetary assets | (1,835) | (5,100) |
| Borrowing cost | 767 | 812 |
| Change in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (2,220) | 294 |
| (Increase)/decrease in prepayments | 681 | (94) |
| (Increase)/decrease in accrued income | (2,395) | (2,511) |
| Increase/(decrease) in trade and other payables | 1,803 | 3,414 |
| (Increase)/decrease in inventories | (5) | 1 |
| Increase/(decrease) in provisions | (491) | (422) |
| Increase/(decrease) in trust funds | 402 | 139 |
| Net cash provided by/(used in) operating activities | 22,046 | 22,809 |

9.3 Superannuation

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

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 2019, this was 9.5 per cent 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 pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

| | |
|-----------------------|------------------|
| Net investment return | 6.0 per cent p.a |
| Salary inflation | 3.5 per cent p.a |
| Price inflation (CPI) | 2.0 per cent p.a |

Vision Super has advised that the actual VBI at 30 June 2019 was 107.1 per cent.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the 30 June 2017 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 ended 30 June 2019

Note 9 Other matters (cont.)

9.3 Superannuation (cont.)

Employer contributions

Regular contributions

On the basis of the results of the 2018 interim 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 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the 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 an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 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%.

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017. The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| - A VBI surplus | 131,900 | 69,800 |
| - A total service liability surplus | 218,300 | 193,500 |
| - A discounted accrued benefits surplus | 249,000 | 228,800 |

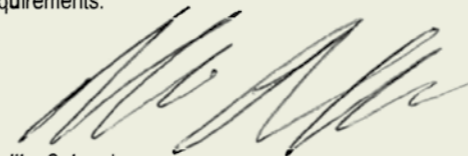
The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018 (2017: August 2017).

The 2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

Certification of the financial statements for the year ended 30 June 2019

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.



Melika Sukunda CA
Principal Accounting Officer

Date: 27.8.2019
ELTHAM

In our opinion the accompanying financial statements present fairly the financial transactions of Nillumbik Shire Council for the year ended 30 June 2019 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.



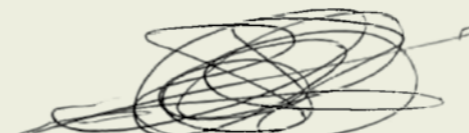
Karen Egan (Mayor)
Councillor

Date: 27.8.2019
ELTHAM



Bruce Ranken (Deputy Mayor)
Councillor

Date: 27.8.2019
ELTHAM



Carl Cowie
Chief Executive Officer

Date: 27.8.2019
ELTHAM

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 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| 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> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |

Level 31 / 35 Collins Street, Melbourne Vic 3000
 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor-General's Report

on the financial report and standard statements

| | |
|--|---|
| Auditor's responsibilities for the audit 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> |
|--|---|

MELBOURNE
 10 September 2019


 Jonathan Kyvelidis
 as delegate for the Auditor-General of Victoria

Performance statement for the year ended 30 June 2019

Description of municipality

The shire of Nillumbik covers an area of 432 square kilometres. At its south western gateway, Nillumbik is located less than 25 kilometres north-east of Melbourne, and has the Yarra River as its southern boundary. It extends 29 kilometres to Kinglake National Park in the north/north-east and stretches approximately 20 kilometres from the Plenty River and Yan Yean Road in the west, to Christmas Hills and the Yarra escarpment in the east.

Nillumbik has a population of 64,941 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities. Nillumbik has a relatively healthy and affluent community which lives largely in family units in single dwelling properties.

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

Sustainable capacity indicators

| Indicator/Measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material Variations/Comments |
|--|------------|------------|------------|------------|------------|--|
| Population <i>Expenses per head of municipal population</i> [Total expenses/ Municipal population] | \$1,220.30 | \$1,447.43 | \$1,231.36 | \$1,240.88 | \$1,418.26 | The recent increase in expenditure is largely driven by one off items of a statutory nature. The trend is compounded by minimal growth in population across the shire. |
| Population <i>Infrastructure per head of municipal population</i> [Value of infrastructure/ Municipal population] | \$6,316.21 | \$7,081.93 | \$7,215.87 | \$7,704.20 | \$7,928.29 | The increase is reflective of Council's significant investment in upgrades to Council infrastructure in the current financial year. |
| Population <i>Population density per length of road</i> [Municipal population/ Kilometres of local roads] | 82.08 | 81.09 | 81.81 | 81.92 | 84.01 | The decrease is driven by a minimal increase in the municipal population relative to an increase in road length. |
| 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 | \$1,203.11 | \$1,183.46 | The decreasing trend is reflective of a minimal increase in the municipal population and minimal growth in rateable properties in the shire. |
| Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants/ Municipal population] | \$135.90 | \$81.75 | \$126.67 | \$99.06 | \$98.77 | The variance is driven by a decrease in the recurrent grants received in the current financial year. |
| Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile] | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | Council's relative socio-economic disadvantage remains stable and the current result is comparable to the previous year. |

Performance statement for the year ended 30 June 2019

Financial performance indicators

| Indicator/Measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material Variations/Comments |
|--|--------|---------|---------|--------|--------|--|
| Aquatic Facilities | | | | | | |
| Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/ Municipal population] | 4.18 | 2.56 | 0.80 | 0.94 | 2.21 | The re-opening of Eltham Leisure Centre's aquatic facilities has resulted in the significant increase in attendance. Due to the closure of the aquatic component of the Eltham Leisure Centre during refurbishment works over the previous two years, overall attendance at aquatic centres had been considerably reduced. Overall attendance at non-aquatic facilities has also been impacted by the refurbishment works at Eltham Leisure Centre as the wet component is an attractor for the dry component as well. |
| Animal Management | | | | | | |
| Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | 5.00 | 8.00 | 8.00 | 5.00 | 1.00 | The prosecution that took place was a result of a barking dog. The annual results recorded are independent year on year, reflective of isolated incidents occurring within the shire. |
| 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 | 92.00% | 100.00% | 100.00% | 95.24% | 94.12% | There was a slight decrease in the proportion of critical and major non-compliance notifications followed up during the reporting period. The measure can vary depending on timing of the report and follow up at the beginning and end of the calendar year. |

Performance statement for the year ended 30 June 2019

Financial performance indicators

| Indicator/Measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material Variations/Comments |
|---|--------|--------|--------|--------|--------|---|
| 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 | 57.00 | 62.60 | 64.50 | Satisfaction with Council decisions improved slightly by 1.9 percentage points) in 2018-2019, returning to the level of satisfaction in earlier years, and continuing the upward trend since 2016-2017. |
| Libraries | | | | | | |
| Participation <i>Active library members</i> [Number of active library members/ Municipal population] x100 | 25.00% | 23.71% | 25.94% | 27.38% | 30.17% | During the year, a total of 19,592 Nillumbik residents were active library members, representing an increase of 3.10 per cent. This figure does not consider the number of residents who utilise the many services and programs 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% | 78.76% | 79.82% | The Maternal and Child Health Service continues to provide a connected and responsive program to families with young children in 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% | 78.95% | 69.44% | The overall MCH enrolment of Aboriginal families and young children demonstrates a connection to and linkages with the MCH service in Nillumbik. A small variation in the low raw numbers of this client group accounts for what otherwise appears to be a significant percentage increase from the previous year. |

Performance statement for the year ended 30 June 2019

Financial performance indicators

| Indicator/Measure | 2015 | 2016 | 2017 | 2018 | 2019 | Material Variations/Comments |
|---|--------|--------|--------|--------|--------|---|
| 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 | 65.00 | 64.40 | 65.00 | In the 2019 Annual Community Survey, satisfaction with the maintenance and repairs of sealed local roads remained stable at 65 out of 100, compared to 64.4 out of 100 in 2018. 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 | 36.00% | 70.00% | 63.16% | 80.00% | 61.54% | VCAT upheld less of Council's decisions in 2018-2019. Eight decisions were upheld out of 13, compared to 8 out of 10 in 2017-2018. |
| 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% | 63.66% | 59.06% | Nillumbik residents diverted 11,627 tonnes of kerbside waste from landfill during FY 2018-2019, 2,013 tonnes less than FY 2017-2018. The reduction in diversion is due to drought conditions and the diversion of 322.92 tonnes of recyclables to landfill due to shut-down of Council's kerbside recycling contractor. Nillumbik continues to be well above the State diversion targets. |

**Performance statement
for the year ended 30 June 2019**

Financial performance indicators

| Dimension/ Indicator/Measure | Results | | | | | Forecasts | | | | | Material Variations and Comments |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Efficiency | | | | | | | | | | | |
| Revenue level Average residential rate per residential property assessment [Residential rate revenue/Number of residential property assessments] | \$2,463.03 | \$2,569.65 | \$2,617.22 | \$2,687.64 | \$2,758.55 | \$2,785.86 | \$2,867.24 | \$2,948.32 | \$3,031.35 | | The ongoing increase reflects budgeted increases in rates and charges and the anticipated additional rateable properties created during each year throughout the shire. |
| Expenditure level Expenses per property assessment [Total expenses/ Number of property assessments] | \$3,186.17 | \$3,329.18 | \$3,240.42 | \$3,346.25 | \$3,837.63 | \$3,601.04 | \$3,668.54 | \$3,736.50 | \$3,808.75 | | The current year outcome is driven by non-recurrent expenditure items, including landfill rehabilitation costs. The forecast results show the positive relationship between the growth in rateable properties across the shire and corresponding growth in expenditure. |
| Workforce turnover Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations/ Average number of permanent staff for the financial year] x100 | 5.68% | 12.94% | 10.31% | 17.57% | 26.01% | 4.87% | 4.87% | 4.87% | 4.87% | | Due to finalisation of the organisational restructure, the number of resignations/ terminations was higher than average. This is predicted to become stable in the outlying years. |

**Performance statement
for the year ended 30 June 2019**

Financial performance indicators

| Dimension/ Indicator/Measure | Results | | | | | Forecasts | | | | | Material Variations and Comments |
|---|---------|---------|---------|---------|---------|-----------|---------|---------|---------|--|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Liquidity | | | | | | | | | | | |
| Working capital Current assets compared to current liabilities [Current assets/ Current liabilities] x100 | 265.70% | 351.48% | 353.27% | 337.37% | 274.40% | 209.67% | 193.82% | 203.03% | 219.33% | | This result is driven by cash on hand held, largely for scheduled capital works funded through grants received and not yet expended. |
| Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash/ Current liabilities] x100 | 71.82% | 59.29% | 53.74% | 84.76% | 67.97% | 69.10% | 79.47% | 78.37% | 84.64% | | The trend reflects marginal increases in current liabilities and a larger proportion of cash being restricted as grant income. In the forecast years, movements in results are driven by cash held for the long-term capital works program. |

**Performance statement
for the year ended 30 June 2019**

Financial performance indicators

| Dimension/ Indicator/Measure | Results | | | | | Forecasts | | | | | Material Variations and Comments |
|---|---------|--------|--------|--------|--------|-----------|--------|--------|--------|--|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Obligations | | | | | | | | | | | |
| Asset renewal Asset renewal compared to depreciation [Asset renewal expense/Asset depreciation] x100 | 52.09% | 74.99% | 70.54% | 47.69% | 37.20% | 39.09% | 85.97% | 84.27% | 89.02% | | The variance is reflective of Council allocating a larger proportion of capital works funding to upgrading facilities. In outlying years, there is a shift back to focusing on the renewal of Council assets. |
| Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings/Rate revenue] x100 | 26.74% | 23.76% | 21.53% | 20.23% | 18.75% | 16.31% | 14.83% | 9.95% | 6.74% | | Council continues to reduce its existing loans and is not projecting to take out further loans in the future. |
| Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings/Rate revenue] x100 | 4.47% | 2.88% | 2.76% | 2.44% | 2.19% | 3.03% | 1.88% | 5.17% | 3.50% | | Council's loan balances are reducing and the trend is reflective of loan payout scheduled. |
| Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities/Own source revenue] x100 | 27.87% | 34.24% | 26.81% | 23.53% | 20.69% | 13.86% | 9.74% | 8.73% | 7.78% | | The current year and projections in outer years show a declining result which is reflective of the reduction in debt and an increase in own source revenue. |

**Performance statement
for the year ended 30 June 2019**

Financial performance indicators

| Dimension/ Indicator/Measure | Results | | | | | Forecasts | | | | | Material Variations and Comments |
|--|---------|---------|--------|--------|--------|-----------|--------|--------|--------|--|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Operating Position | | | | | | | | | | | |
| Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100 | 9.79% | -12.92% | 8.46% | 5.56% | -9.52% | 2.17% | 3.48% | 4.40% | 5.20% | | Current year result is driven by one-off expenditure items. The trend in outer-lying years remains stable, however can be impacted by unexpected items. |
| Stability | | | | | | | | | | | |
| Rates concentration Rates compared to adjusted underlying revenue [Rate revenue/Adjusted underlying revenue] x100 | 66.41% | 88.26% | 73.59% | 74.02% | 76.70% | 74.83% | 74.59% | 74.58% | 74.60% | | This result is reflective of the current and projected stability in underlying revenue and the projected increase in rates and charges. |
| Rates effort Rates compared to property values [Rate revenue/Capital improved value of rateable properties in the municipality] x100 | 0.41% | 0.43% | 0.39% | 0.39% | 0.32% | 0.33% | 0.34% | 0.34% | 0.35% | | The consistent trend is reflective of projected annual property revaluations. In outer years, property valuations are forecast to remain stable. |

Performance statement for the year ended 30 June 2019

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 (eg 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 26 June 2018 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 2019

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*.



Melika Sukunda CA
Principal Accounting Officer

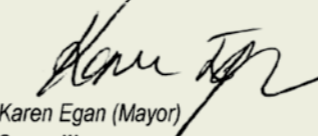
Date: 27.8.2019
ELTHAM

In our opinion, the accompanying performance statement of Nillumbik Shire Council for the year ended 30 June 2019 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.



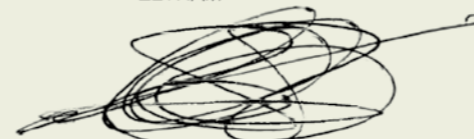
Karen Egan (Mayor)
Councillor

Date: 27.8.2019
ELTHAM



Bruce Ranken (Deputy Mayor)
Councillor

Date: 27.8.2019
ELTHAM



Carl Cowie
Chief Executive Officer

Date: 27.8.2019
ELTHAM



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 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • notes to the performance statement • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, 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. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the performance statement | <p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine 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> |
| 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p> |

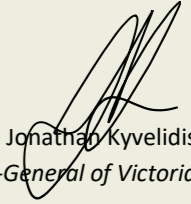
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
10 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Glossary of terms

| Term | Definition |
|---|---|
| Advocacy | The act of speaking on the behalf of or in support of another person, place, or thing. |
| Asset management | A systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. |
| Best value | Best value principles applicable to local government in Victoria are set out in Part 9 of the <i>Local Government Act 1989</i> . The principles relate to quality and cost standards, responsiveness to community needs, accessibility of services, continuous improvement, community consultation, and reporting. |
| Business continuity | The planning and preparation of an organisation to make sure it overcomes serious incidents or disasters and resumes its normal operations within a reasonably short period. |
| Capital works | Building and engineering works that create an asset, as well as constructing or installing facilities and fixtures associated with, and forming an integral part of, those works. |
| Community engagement | A way of ensuring that community members have access to valued social settings and activities, feel that they are able to contribute meaningfully to those activities, and develop functional capabilities that enable them to participate fully. |
| Community panel | A decision-making body comprised of community representatives. Community panels are used by organisations to listen to their customers, members, and stakeholders in a systematic, timely and cost-efficient way. |
| Continuous improvement | An ongoing effort to improve products, services, or processes. |
| Corporate governance | The mechanisms, processes and relations by which a corporate body is controlled and directed. |
| Customer experience | The ongoing interaction between an organisation and a customer over the duration of their relationship. |
| Financial performance indicators | A prescribed set of indicators and associated measures in the Local Government Performance Reporting Framework that gauge financial management performance, including operating position, liquidity, obligations, stability and efficiency. |
| Future Nillumbik Committee | A Special Committee made up of all seven Nillumbik Councillors. The committee agenda is structured on the portfolios assigned to individual Councillors, with the relevant portfolio Councillor to chair the section of the meeting for those items which relate to their portfolio. The Future Nillumbik Committee has delegated authority from Council to consider most matters, with some exceptions such as declaring a rate or charge and approving and abandoning planning scheme amendments. |
| Green Wedge | The non-urban areas of metropolitan Melbourne that sit outside the Urban Growth Boundary and were first identified in the 1960s. |
| Major initiatives | Significant initiatives that directly contribute to the achievement of the Council Plan during the financial year and have a major focus in the budget. |
| Material variations | In the context of the Local Government Performance Reporting Framework (LGPRF), a material variation is a year-on-year variation exceeding the materiality threshold, as set either by council or taken from Local Government Victoria's Report of Operations and Performance Statement Better Practice Guidance. |

| Term | Definition |
|--|--|
| Mystery shopping survey | A tool used externally by market research companies, watchdog organisations, or internally by companies themselves to measure quality of service, or compliance with regulation, or to gather specific information about products and services. |
| Participate Nillumbik | Council's online community engagement site. This is where you can help inform Council's decision-making by sharing your ideas or feedback on a variety of projects. You can also get updates on projects and hear about how your input has contributed to Council's decisions. |
| Performance statement | A statement that includes the audited results of a selection of service performance indicators, financial performance indicators and sustainable capacity indicators for the financial year and reported in the annual report. |
| Report of operations | A report containing a description of the operations of council during the financial year and included in the annual report. |
| Risk management | A process in which organisations identify, assess and treat risks that could potentially affect their operations. |
| SafetyMap | An audit tool designed by WorkSafe to support workplaces in improving their ability to manage health and safety. It is the Victorian Work Cover Authority's version of AS/NZS 4801 and provides a means to undertake an independent audit and review of an organisation's health and safety management system. |
| Service performance indicators | As defined in the Local Government Performance Reporting Framework, these are a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes. |
| Services | Assistance, support, advice and other actions undertaken by a council for the benefit of the local community. |
| Strategic indicators | Indicators developed for the purpose of monitoring the achievement of the objectives specified in the Council Plan. |
| Strategic objectives | The outcomes a council is seeking to achieve over the next four years and included in the Council Plan. |
| Sustainability | Meeting present day needs without compromising the ability of future generations to meet their needs. |
| Sustainable capacity indicators | A prescribed set of indicators in the Local Government Performance Reporting Framework that measure whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future. |
| Urban Growth Boundary | A regional boundary, set in an attempt to control urban sprawl by mandating that the area inside the boundary be used for urban development and the area outside be preserved in its natural state or used for agriculture. |
| Wards | Subdivisions of the municipal area into sections with an elected Councillor to represent the different sections. |

Abbreviations and acronyms

| Term | Definition | Term | Definition |
|-----------------|---|--------------|---|
| CAPEX | Capital Expenditure | KRA | Key Result Area |
| CBS | Community Bank Stadium | L2P | Learner to Probationary (Learner Driver Mentor Program) |
| CEO | Chief Executive Officer | LGBTI | Lesbian, Gay, Bisexual, Transgender, and Intersex |
| CFA | Country Fire Authority | LGPRF | Local Government Performance Reporting Framework |
| CFG | Community Fireguard Group | MCH | Maternal and Child Health |
| CI | Continuous Improvement | MEMP | Municipal Emergency Management Plan |
| DAMP | Domestic Animal Management Plan | MFMP | Municipal Fire Management Plan |
| DELWP | Department of Environment, Land, Water and Planning | OHS | Occupational Health and Safety |
| DWMP | Domestic Wastewater Management Plan | OPEX | Operating Expenditure |
| EAP | Employee Assistance Program | PDA | Protected Disclosures Act |
| EFT | Equivalent Full Time | PPARS | Planning Permit Activity Reporting System |
| EMT | Executive Management Team | SEIFA | Socio-Economic Indexes for Areas |
| FOI | Freedom of Information | SES | State Emergency Service |
| GSF | Growing Suburbs Fund | SIAP | Strategic Internal Audit Plan |
| GWMP | Green Wedge Management Plan | UGB | Urban Growth Boundary |
| IAP2 | International Association of Public Participation | VAGO | Victorian Auditor-General's Office |
| IDAHOBIT | International Day Against Homophobia, Biphobia, Intersexism and Transphobia | VCAT | Victorian Civil and Administrative Tribunal |
| IHFM | In Home Family Mentoring Program | YPRL | Yarra Plenty Regional Library |

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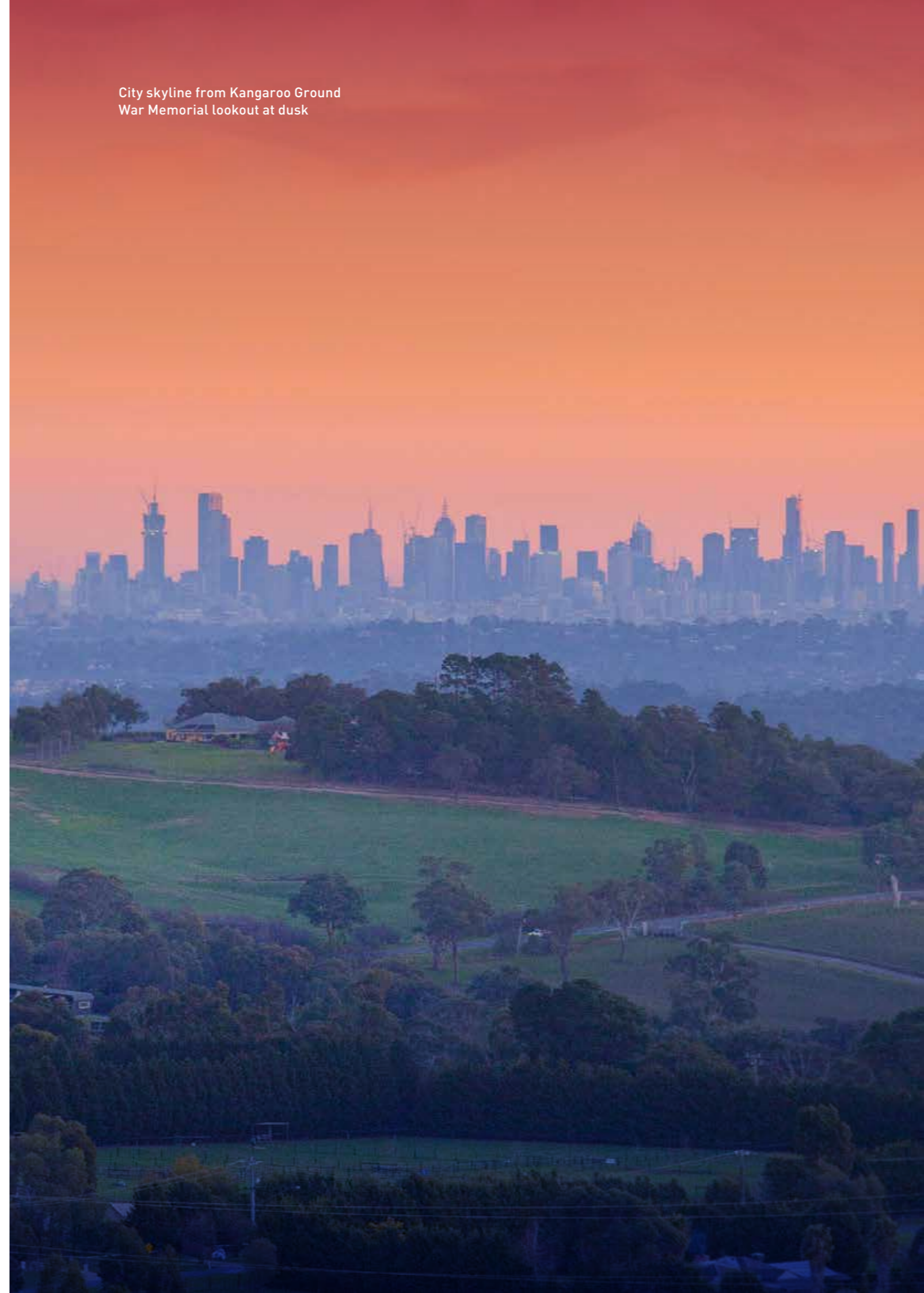
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City skyline from Kangaroo Ground
War Memorial lookout at dusk



Nillumbik Shire Council

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