

Ordinary Meeting of Council

to be held at the Eltham Community and Reception Centre,
801 Main Road, Eltham
on Tuesday 27 August 2019 commencing at 7:00pm.

Agenda

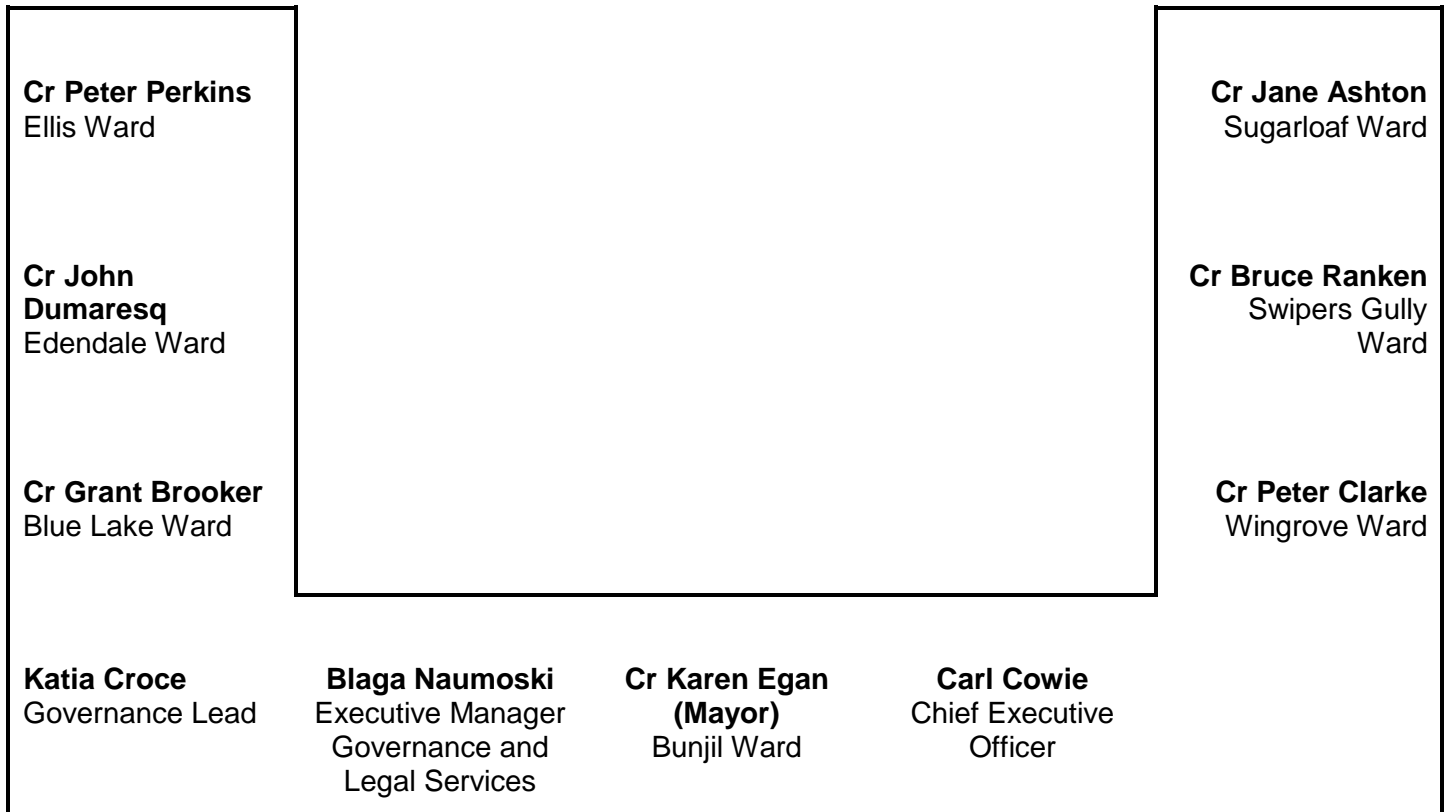
Carl Cowie
Chief Executive Officer

Friday 23 August 2019

Distribution: Public

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Ordinary Meeting of Council seating plan



Visitors in the gallery at Council meetings are:

- Welcome to copies of the reports which will be considered by the Council at the meeting. These are on the table in the foyer.
- Welcome to the tea, coffee and water provided in the foyer.
- Requested to observe Council deliberations quietly in order for Council meetings to run smoothly.
- Advised that the meeting will be recorded and an audio recording of the meeting will be made publicly available on Council's website.

Nillumbik Shire Council

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Nillumbik Shire Council

**Agenda of the Ordinary Meeting of Nillumbik Shire Council to be held
Tuesday 27 August 2019 commencing at 7:00pm.**

1. Welcome by the Mayor

Members of the public are advised the meeting will be recorded and an audio recording of the meeting will be made publicly available on Council's website.

2. Reconciliation statement

The reconciliation statement to be read by the Mayor

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

3. Prayer

A prayer will be read.

4. Apologies

Recommendation

That the apologies be noted.

5. Presentations

Presentation

Country Fire Authority

Certificates of Recognition will be presented to outgoing CFA captains and other key personnel from fire brigades across Nillumbik.

Hannah Bird (Sugarloaf Ward) receives \$150 as a contribution for being selected to represent Victoria at the Equestrian Interschools National Championships in Sydney.

Cooper Harvey (Blue Lake Ward) receives \$150 as a contribution for being selected to the School Sport Victoria Australian Football State team in Tasmania.

Bonnie Brown (Edendale Ward) receives \$150 as a contribution for being selected to represent Victoria at the School Sports U12 Netball Team in Canberra.

Caitlin Seini (Bunjil Ward) receives \$200 as a contribution for being selected to represent Australia at the International Mounted Games in the USA.

Ryan Seini (Bunjil Ward) receives \$200 as a contribution for being selected to represent Australia at the International Mounted Games World Championships in Wales.

Nillumbik Shire Council wishes them every success with their future sporting pursuits.

6. Confirmation of minutes

Confirmation of minutes of the Ordinary Council Meeting held on Tuesday 30 July 2019.

Recommendation

That the minutes of the Council Meeting held on Tuesday 30 July 2019 be confirmed.

7. Disclosure of conflicts of interest

Councillors should note that any conflicts of interest should also be disclosed immediately before the relevant item.

8. Petitions

9. Questions from the gallery

10. Reports of Advisory Committees

AC.008/19 Advisory Committee Report

Distribution: Public

Manager: Blaga Naumoski, Executive Manager Governance and Legal Services

Author: Alena Spry, Governance Officer

Summary

Council has a range of Advisory Committees which provide a formal mechanism for Council to consult with key stakeholders, seek specialist advice and enable community participation. Although they do not make any formal decisions, they provide valuable advice to Council.

In accordance with Advisory Committee Terms of Reference, the minutes of meetings are presented to Council.

Attachments

1. Arts Advisory Committee minutes - 17 June 2019
2. Environment and Sustainability Advisory Committee minutes - 10 July 2019

Recommendation

That Council notes the minutes of the following meetings:

- Arts Advisory Committee held on 17 June 2019; and
- Environment and Sustainability Advisory Committee held on 10 July 2019.

10. Reports of Advisory Committees

AC.008/19 Advisory Committee Report

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Arts Advisory Committee Minutes



Date: Monday 17 June 2019
Time: 7pm to 8.30pm
Venue: Nillumbik Shire Council, Civic Drive, Greensborough
Chair: Cr Jane Ashton
Minute taker: Sarah Hammond (Acting Team Leader, Arts and Cultural Development)

Order of business

1. Welcome

Attendance: Cr Jane Ashton, Brian Gilkes, Blaise van Hecke, Eugene Howard, Matt Blackwood, Ute Leiner

Officers: Michelle Zemancheff (Coordinator, Arts and Cultural Development), Sarah Hammond (Acting Team Leader, Arts & Cultural Development), Kirstie McKenzie (Grants Officer)

Apologies: Cr Karen Egan, Dennis Coard, Gillian Essex, Kylie Lethbridge (Executive Manager, Economic Development & Tourism)

2. Conflict of interest and Assembly of Councillor Form

None reported. Assembly of Councillor Form lodged with Governance 18 June 2019.

3. Minutes from previous meeting

That the minutes of the meeting held on 18 March 2019 are confirmed as a true and accurate record:

Moved: Blaise van Hecke

Seconded: Brian Gilkes

Business items	Details	Action
4. Matters arising	The SWOT analysis of the implementation of the Arts & Cultural Plan over the 2018 calendar year was distributed.	
5. Arts & Cultural Plan implementation update	5.1. Council Reports (Art Collection, Public Art, Feasibility Study) will go to Ordinary Council Meeting 25 June 2019 for endorsement of the draft policies/study for public exhibition via <i>Participate Nillumbik</i> for 3 weeks ahead of the Future Nillumbik Committee meeting on 13 August 2019. 5.2. The Queen of the Shire has been reinstalled. 5.3. Eltham Library Community Gallery and Gallery Gigs are going well. There has been an uplift of	Officers to advise Committee when <i>Participate Nillumbik</i> is live. Committee to promote this opportunity and to provide their own feedback. Committee to nominate to speak to the <i>Participate Nillumbik</i> submissions at Future Nillumbik meeting 13 August 2019.

- energy in the gallery. Applications for the 2020 exhibition program will open on 1 July.
- 5.4. Nillumbik Digital Agora** – an update on this program with information on the selected artists and dates for each installation was circulated. Committee support requested for volunteer roles.
- 6. Nillumbik Prize Contemporary Art 2019 debrief** There was general consensus that the 2019 Nillumbik Prize was highly successful. It was of a higher standard and more diverse thanks to the national format and the increased prize money. The new format provides better opportunities for artists and is good for the whole community. It was noted that the opening event attracted visitors from regional Victoria and interstate as well as a large local crowd.
- 7. Arts and Cultural Grants panel assessment** The Committee considered all annual grant applications, having already submitted their assessments via SmartyGrants. Given the high number of applications (a 400% increase up on the previous 2 years), priority was given to applications that supported the delivery of the Arts & Cultural Plan 2018-2022 and rated highly in satisfying the assessment criteria. \$40,000 was allocated across the 3 streams of Performing Arts, Community Arts & Literary Arts, supporting 10 grant projects.
- 4. Other Business**
Michelle Zemancheff (Coordinator Arts & Cultural Development) advised committee members of her resignation effective 5 July 2019. The Committee thanked Michelle for all her fine work over the last eight years.
- 5. Next Meeting**
Monday, 29 July 7pm.
- 6. Close:** 8.40pm
- Committee to promote opportunity.
- Committee to confirm availability for volunteer roles.
- Officers to provide feedback to Curator & Creative Industries Officer.
- Officers to prepare Council Reports

**Nilumbik Community Fund
Annual Arts and Culture Grant Recommendations 2019-20
Arts Advisory Committee, 17 June 2019**

COMMUNITY ARTS CATEGORY

Project Title		Brief Project Description	Recommended
St Andrews Community Centre Inc	Activation of Wadambuk Gallery	Seed funding to enable the establishment of a curatorial program at Wadambuk Art Gallery.	\$ 4,990.00
<p>Committee Notes: Goal of grant project is to create a sustainable gallery space/program. Aligns with Arts & Cultural Plan and Council Plan. Meets grant criteria. Good opportunities for local artists and community. This grant will fund basic essentials vitally needed to activate this space effectively - curatorial knowledge/skills, gallery equipment, materials and promotional supplies. Without the grant it is likely that the gallery will not flourish. Condition of grant: OH&S equipment must be given priority before all other purchases.</p>			

Jasmine Corbett AUSPICED by Textile Artist Community Arts Space	Treasured Scraps	A sustainable textiles community art project designed to explore and encourage ways of re-using, extending, re-purposing and repairing our everyday textile items through the creation of collaborative artworks.	\$ 3,990.00
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Committee Notes: Innovative sustainable textiles project. Great ethic for Nilumbik to promote. Change of culture through community art/craft. An interesting project that should generate strong meaningful (relational) community conversations. Offers community an opportunity to share the stories and histories about their treasured scraps, while also allowing for a re-think around our textiles and their end use. Applicant has strong links to Nilumbik and is supported by a group of other textile artists. Something new and different for Nilumbik. Intergenerational project. Budget reasonable. Location - Shire Wide Project a possibility. Arts team will help support this project to ensure good community engagement and promotion is achieved.

Paradoxa Collective AUSPICED by Smiths Gully Landcare Inc	Paradoxa Collective and Friends: Walking Talking Listening Learning	A community cultural development project that combines environmental and historical/cultural fieldwork in Panton Hill Bushland Reserves to gain knowledge and develop a collaborative community artwork.	\$ 5,000.00
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Committee Notes: Strong application. Nice synergy between art, community and the environment. Good planning and partnerships. Group has worked hard to think about community aspects and benefits. Grant allocated to artist fees to deliver project but In Kind contribution is significant. Good potential and opportunities. Note: This project is augmented by a larger environmental project which has funding (Friends of Bunjil Reserve Food, Fibre and Medicine Garden's revegetation and rehabilitation sessions) - this arts/community development project enhances and adds to the environmental one. Applicants are highly regarded local artists passionate about their local environment. Panton Hill Location.

LITERARY ARTS CATEGORY

Applicant	Project Title	Brief Project Description	Recommended
Courthouse Poetry AUSPICED by Melbourne Poets Union	Eltham Readings	The bi-monthly Eltham Readings replace the Eltham Courthouse Poetry Readings with a featured poet and open mic sessions at a new location (Living & Learning, Eltham), and synchronized with Poetry@Chrissy Hills.	\$ 2,649.00
<p>Committee Notes: New applicant for a long standing event. Local community members willing to take over the organisation and delivery of the Courthouse Poetry Readings - to be relaunched as Eltham Readings. New venue at Eltham Living & Learning. New lease of life. Hugely reduced budget - Courthouse Readings has received approx. \$7000 PA previously plus Council support in the form of flyer design, event listings, promotion etc. This is a much better deal for Council, particularly as it will be delivered now by local people with connections to other community groups. New partnership with Eltham Living & Learning and synchronised readings with Poetry@Chrissy Hills (alternate months). Partnership with Melbourne Poets Union.</p>			

LITERARY ARTS CATEGORY - continued

Applicant	Project Title	Brief Project Description	Recommended
Poetry@Chrissy Hills AUSPICED by Christmas Hills Mechanics' Institute Hall	Poetry@Chrissy Hills	A bi-monthly poetry program aimed at enriching the cultural life of Christmas Hills by bringing poetry into the area in a lively and interactive way. These bi-monthly poetry sessions are synchronized with the new Eltham Readings.	\$ 720.00
<p>Committee Notes: Strong application - meets all criteria, strongly aligns with Council plans. Minimal contribution required from Council to enable this program to run. Supports positive ageing and has many great mental health and social isolation benefits. Good partnership with Christmas Hills Mechanics Institute and local organisations who help to promote this event, and 2019/20 program aligns with the new Courthouse Poetry Readings program so that these readings will run each alternate month. Community contribution in kind is significant. These events bring in featured poets from all over Victoria and celebrate the creative endeavours of local people during the Open Mic section. Audience numbers are growing. Unanimous recommendation to fund this project.</p>			
Catherine Padmore AUSPICED by La Trobe University	Hurstbridge Heart Writing	A literary festival celebrating and enriching the region's rich literary heritage. Located at the Hurstbridge Community Hub, it will bring together renowned authors from Nilumbik and beyond to share insights into their practices with the community. The concept of history will be a central theme. The festival's goal: to celebrate, inspire and connect.	\$ 5,000.00
<p>Committee Notes: Strong well planned project with good support from partners and auspice. Solid budget. Applicant is a local writer auspiced by La Trobe University where she lectures in creative writing. Many opportunities - could perhaps be tied in to the Nilumbik Prize for Contemporary Writing and YPRL Book Lovers Festival. Programming will cater to adults and children, residents and visitors, with speakers representing a broad range of historical interests.</p>			

PERFORMING ARTS CATEGORY

Applicant	Project Title	Brief Project Description	Recommended
Theatre 451 Inc	The Wife (working title)	The Wife is a contemporary theatre work that explores issues experienced by women who find themselves in the unexpected role of carer for partners who have experienced neurological damage, and examines their treatment in the health care system. Co-funded by Regional Arts Victoria and scheduled to coincide with International Women's Day 2020.	\$ 5,000.00
<p>Committee Notes: New original play written by local playwright and director, Lisa Inman. Regional Arts Victoria (RAV) funding confirmed. Theatre 451 has a track record of producing professional contemporary Australian theatre in Nilumbik. Not active for last 2 + years due to inability to secure permanent rehearsal and performance space but will use space in St. Andrews for this production. Well-presented grant application, meets all criteria and priorities of this grant program. Skilled team. Strong partnerships. Solid budget. Funding from RAV confirmed. Planned to be presented as an International Women's Day event which brings with it opportunities for Council.</p>			
In The Park Productions Inc	William Shakespeare's, Much Ado About Nothing	Outdoor and family-friendly Shakespeare in the Park events to be performed in Eltham & Diamond Creek in February 2020. The 2020 production is William Shakespeare's quick witted and delightful comedy, Much Ado About Nothing. An opportunity for community to share an evening of theatre, food and fellowship.	\$ 5,000.00
<p>Committee Notes: Strong application. Ticks all the boxes in terms of goals of Arts & Cultural Plan, Council Plan and Health & Wellbeing Plan plus grant criteria and priorities. This will be the 3rd year of Shakespeare in the Park held in Eltham and Diamond Creek. Excellent event management from the organising team, local volunteer base increasing and local partnerships are strong. This event is growing and draws both local residents and visitors to Nilumbik. Fully funded by A&C annual grant 2017/18 but would benefit from Arts & Cultural Development team support before possibly moving over to Festivals & Events funding. Applicant has been a good partner for Nilumbik and relationship is still growing. 2020 production linked into local school's curriculum. Note: AAC requests that a 5 minute original play by a local playwright be suggested for inclusion in the 2020 program.</p>			

PERFORMING ARTS CATEGORY - continued

Applicant	Project Title	Brief Project Description	Recommended
Gregory Fideler, Individual artist AUSPICED by Nillumbik Tourism & Business Association	Comedy in Nillumbik	A project to foster the performance of stand-up comedy in Nillumbik. A shire-wide project.	\$ 5,000.00
<p>Committee Notes: New stand-up comedy events for Nillumbik organised by professional stand-up comedian Greg Fideler. Good application. Something different and exciting. Partnerships with local businesses and Nillumbik Business Assoc. Applicant has worked hard to think about how this projects fits with NCF guidelines and how it could work in Nillumbik. Solid budget, good ILC contribution. This is seeding funding for a new initiative. Performance venues to be confirmed - Eltham entertainment district and also at various locations throughout Nillumbik and the Diamond Valley area. Potential to collaborate with Eltham Arts Council monthly comedy nights in Hurstbridge.</p>			
The Boite Vic Inc	Eltham World Harmonies: Music, Poetry and local artists	Community-based multicultural concert program featuring international and local musicians, poets, and other performance artists. Collaborations and partnerships with Eltham refugees, Welcome to Eltham, Montmorency Refugee Support Group, the U3A Poetry and Writing groups and U3A French language groups. Presented at St. Margaret's Church, Eltham.	\$ 2,651.00
<p>Committee Notes: Long standing event with potential for greater audiences and promotion. Draws local crowd and visitors to Nillumbik. Multicultural music and expanding program to include literature and conversation. Good partnerships. A small amount of Creative Vic funding allocated to this project. To offer partial funding to cover performance fees rather than admin costs. Condition: grant must be allocated to the musicians/performers and promotion not admin fees.</p>			

GRANT POOL:	\$40,000
RECOMMENDED ALLOCATIONS	
Community Arts:	\$13,980
Performing Arts:	\$17,651
Literary Arts:	\$ 8,369
Total:	\$40,000

Total recommended funding: \$ 40,000.00

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Environment and Sustainability Advisory Committee Minutes



Date: Wednesday 10 July 2019
Time: 7.00pm – 9.00pm
Venue: Council Chambers, Civic Centre, Greensborough
Chair: Lisa Pittle
Minute taker: Yasmin Green

1. Welcome

Present: Alan Thatcher, John Brenan, David Turner, Narelle Campbell, Tom Fisher, John Huf, Lisa Pittle, Yasmin Green

Apologies: Stephen Hadley, Areej Hashmi-Weyman, Cr Jane Ashton, Cr Grant Brooker

2. Conflict of interest

Conflict of interest provisions are contained in section 80C of the *Local Government Act 1989*, the Councillor's Governance Code, the Employee Code of Conduct and the Volunteer Handbook.

3. Confirmation of minutes

Confirmation of the minutes of the meeting held on Wednesday 26 June 2019

Moved – Tom Fisher

Seconded – John Brenan

4. Draft Green Wedge Management Plan

The Committee discussed their responses to the Draft Green Wedge Management Plan

- The group shared their responses to the Draft Green Wedge Management Plan; observations, comments and issues included:
 - Many generalisations with no attachment to actions/ limited tracking and accountability of actions
 - Minimal referencing
 - Reliance on external funding to support the implementation of the Plan
 - High-level issues with difficult to map actions
 - Roles and responsibilities in relation to accountability
 - Bushfire being defined as 'the' biggest risk – should it perhaps focus on a group of significant risks?
 - Unresolved issues including 'the right to farm'

- Lisa provided the group with a copy of the 'Agreed way of working – ESAC meeting minutes 20 September 2017' to assist in facilitating an ESAC response to the Draft Green Wedge Management Plan
- The group agreed that a 'process' for feedback need to be agreed upon
- The group agreed that the template provided on the Participate Nillumbik website was not an appropriate tool for ESACs response
- The following structure for the group response was suggested–
 - Things we like
 - Things we are concerned about
 - Emphasis
 - Accounting, tracking and resourcing
 - Editing and format issues
- The group agreed with this structure (the groups response is attached)
- The group agreed that Tom, Narelle, Alan and John Huf would meet to consolidate the groups responses before presenting the response at a meeting scheduled for Wednesday 31 July 2019.

5. Feedback on ESAC priorities (15 min)

Deferred.

- a. Green Wedge Management Plan – Narelle Campbell, Tom Fisher, John Huf and Alan Thatcher
- b. Energy/Climate Change - David Turner and Tom Fisher
- c. Biodiversity – Stephen Hadley and Alan Thatcher
- d. Sustainable Water Management – Areej Hahsmi-Weyman

6. Opportunity to share information about community environment and sustainability initiatives (10 min)

Deferred

7. Other business (10 min)

Nil

8. Meeting dates 2019

Wednesday 31 July 2019 – Draft GWMP Response

Wednesday 21 August 2019 – Renewable energy

Wednesday 16 October 2019

Wednesday 11 December 2019

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12. Officers' reports**OCM.116/19 Shire Plan 2050****Distribution: Public****Manager: Jeremy Livingston, Acting Director Community and Planning****Author: Yasmin Green, Coordinator Strategy and Policy****Nichole Johnson, Coordinator Strategic Projects****Summary**

The purpose of this report is to formalise the approach and timelines for the Shire Plan 2050 project. This project has been re-scoped following recent announcements regarding proposed reforms to the *Local Government Act 1989*, which would legislate a similar product to what is envisaged in this Council Plan action.

Amongst the proposed reforms 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, which would occur in early 2021.

Recommendation

That Council endorses the Shire Plan 2050 associated timelines (**Attachment 1**) and project approach (**Attachment 2**).

Attachments

1. Shire Plan timelines
2. Project stages

Background

1. The preparation of a Shire Plan 2050 was identified as a priority action in the Council Plan 2017–2021 (Key Action 1.1.1). Completion of the Shire Plan 2050 was originally scheduled for the end of 2018, however it was resolved at the 26 June 2018 Ordinary Council Meeting to extend the timeline to the end of 2019. This was in acknowledgement of the updated Green Wedge Management Plan and new Housing Strategy being key inputs into this project.
2. At a Councillor Briefing in June 2019, a number of options were discussed in delivering the Shire Plan 2050 project. At that briefing, it was agreed that the re-scoped project would include the following outputs:
 - Produce an in-house Research Paper by December 2019;
 - Subject to Council agreement, convert the Research Paper into a public Background Paper by April 2020; and
 - Consider the aforementioned papers in developing a Community Vision to be created in conjunction with the next Council Plan (refer to 'Stage 3 in **Attachment 2**).

12. Officers' reports

OCM.116/19 Shire Plan 2050

3. The project approach as outlined will assist Council in its preparation for the reforms being proposed through the recently announced Local Government Bill 2019, specifically the requirement for all councils to develop a long-term Community Vision. This Community Vision would be developed in early 2021, concurrent with the development of the next Council Plan, and following the completion of the Research Paper and Background Paper.

Policy context

4. This report directly supports the achievement of the Council Plan 2017-2021 strategy:
 - Improve community trust through better communications and genuine engagement.
5. It specifically addresses Key Action 1.1.1 of the Council Plan 2017-2021 – preparation of a 2050 Shire Plan.
6. More broadly, this project aligns with the reforms being proposed under the Local Government Bill 2019. This 2019 Bill builds on the Local Government Bill 2018 which was the result of a three-year consultation with councils, communities and sector bodies. The 2019 Bill retains the reforms under the 2018 Bill that were designed to empower councils to improved service delivery, by focusing on engagement and long-term planning.

Budget implications

7. A budget of \$50,000 has been allocated to the 2019-2020 budget though the major initiatives program.

Consultation/communication

8. The project approach takes into consideration the extensive community engagement program undertaken by Council over the past twelve months.
9. Consultation and communication will be strengthened by regular internal stakeholder meetings along with Councillor Briefings and workshops.
10. It is the view of officers that following the release of the public Background Paper, an extensive community engagement program should be undertaken by Council in early 2021 to ensure that the community is empowered to set the future agenda for the Shire though the development of a Shire Plan / Community Vision.

Issues/options

11. Following the Councillor 18 June 2019 Briefing and utilising Councillors' feedback, officers have prepared a timeline for progressing the delivery of the Shire Plan 2050 project (**Attachment 1**).
12. The project approach (**Attachment 2**) facilitates the advancement of this Council Plan action item, however leaves the creation of a Shire Plan / Community Vision to the next Council term, following the 2020 general election.

12. Officers' reports

OCM.116/19 Shire Plan 2050

Conclusion

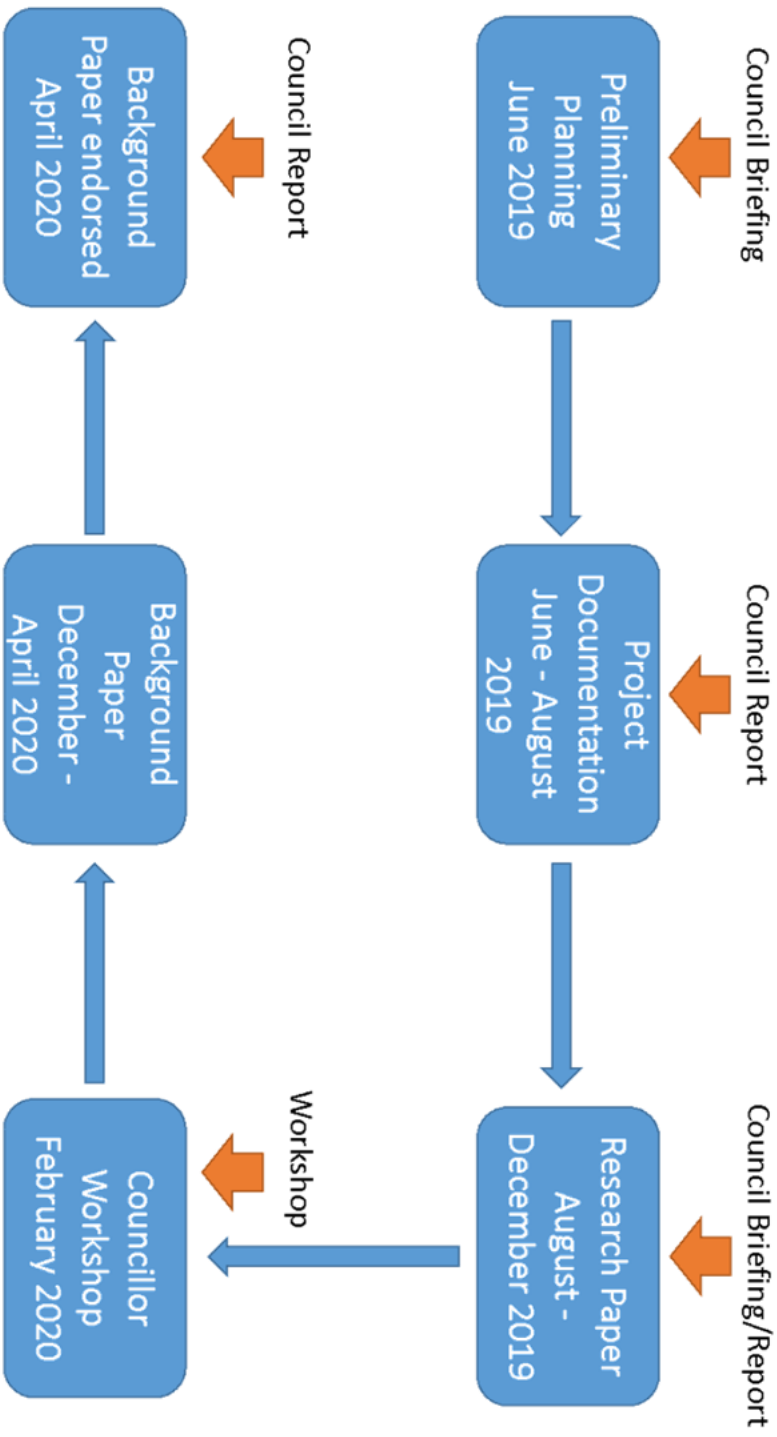
13. This report seeks Council endorsement of the project approach, stages and timelines in order to progress the delivery of the Shire Plan 2050 project to assist in preparing Council and the community for the preparation of a Community Vision, as envisaged under the proposed reforms outlined in the Local Government Bill 2019.

12. Officers' reports

OCM.116/19 Shire Plan 2050

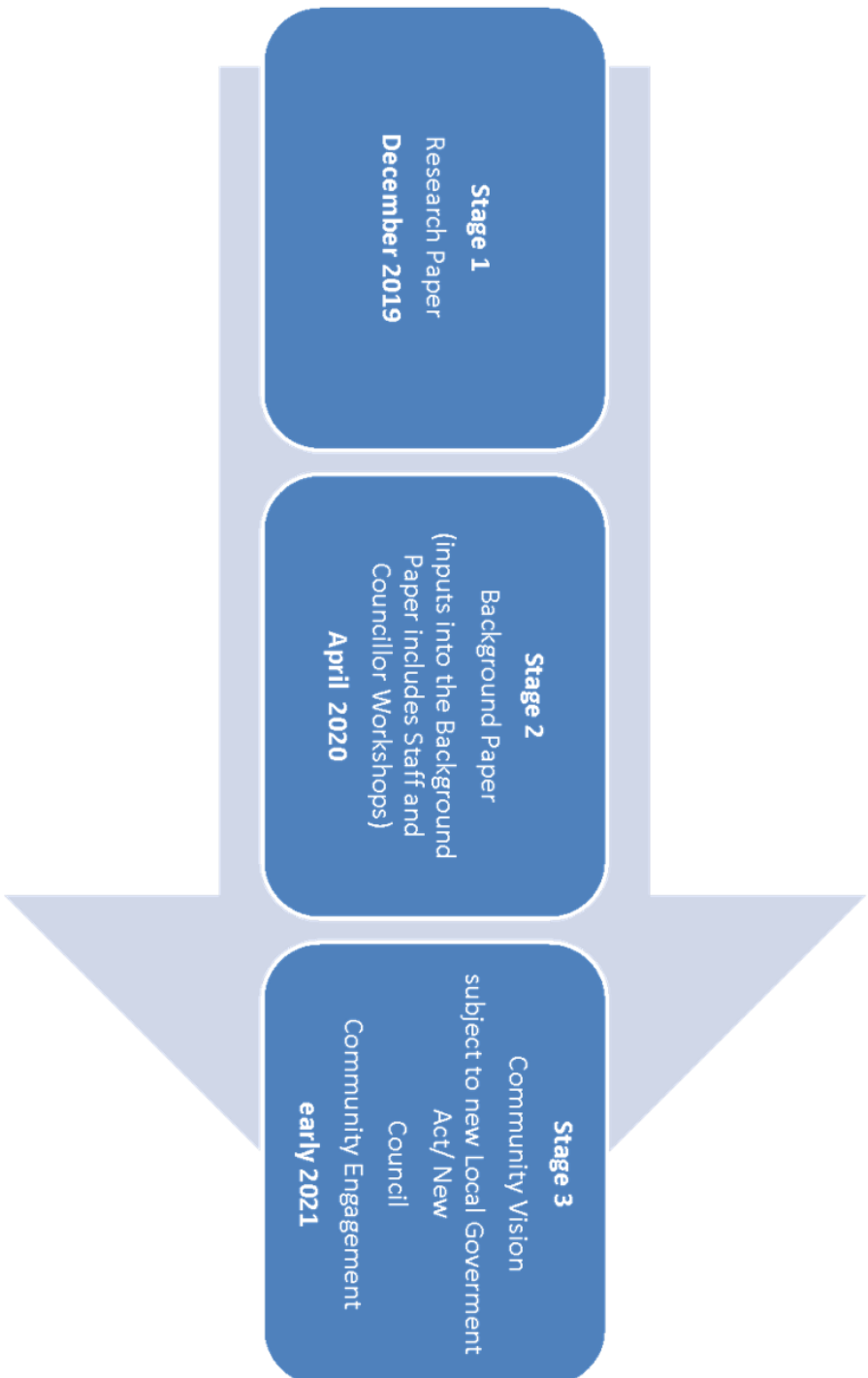
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Timelines - Shire Plan 2050 Research/Background Papers



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Shire Plan 2050 Project Stages



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12. Officers' reports**OCM.117/19 Eltham Trader Parking Permit Scheme**

Distribution: Public**Manager: Hjalmar Philipp, Director Operations and Infrastructure****Author: Joseph Emmanuel, Manager Infrastructure
Ayman William, Transport Coordinator****Summary**

Council has received significant feedback from trader permit holders within the Eltham CBD precinct regarding limited availability of carparking spaces in the Circulatory Road and Dudley Street carparks.

There are a total of 149 businesses in the Eltham CBD precinct with a total supply of 141 car parking spaces in the Circulatory Road and Dudley Street carparks. As of 20 October 2017 a total of 543 trader permits have been issued to the varying businesses for the exclusive use of these spaces.

Council officers have considered the feedback and assessed available data, including the parking study completed in April 2018 and historic data relating to issued permits. This report recommends an updated Eltham Trader Parking Permit Scheme.

Recommendation

That Council:

1. Endorses the following Eltham Trader Parking Permit Scheme (Scheme) for the Circulatory Road and Dudley Street carparks in the Eltham CBD precinct:
 - a) \$100 per permit for the first five permits;
 - b) \$200 per permit for every permit thereafter;
 - c) No cap is applied per business;
 - d) No cap is applied to the total permits available; and
 - e) Businesses at 6-20 Luck Street, 19 Arthur Street and 906 Main Road, Eltham are ineligible for permits.
2. Instructs officers to:
 - a) Implement the Scheme no later than 28 October 2019.
 - b) Commence negotiations with traders operating from business addresses 6-20 Luck Street, 19 Arthur Street and 906 Main Road, Eltham to create private trader parking permit schemes to allow trader parking within the respective parking areas for these sites.
 - c) Advise all existing permit holders of the new Scheme and that permits will no longer be valid at the commencement of the new Scheme.
 - d) Advise all traders in the Eltham CBD precinct of the new Scheme.
3. Reviews the Circulatory Road, Dudley Street and private trader parking permit schemes, including consideration of available technology options and requests officers to report to Council prior to December 2020.

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

Attachments

1. Proposal at OCM - 1 May 2018
2. Eltham Trader Parking Permit Scheme Review Feedback Summary
3. Eltham Chamber of Commerce and Industry Survey Results

Background

1. Council has received significant feedback from traders within the Eltham CBD precinct, regarding limited availability of parking spaces in the Circulatory Road and Dudley Street carparks, for permit holders. As a result, Council decided to review the existing permit scheme.
2. There are 149 business in the special rate area of Eltham and a current supply of 141 permit parking spaces in the Circulatory Road and Dudley Street carparks.
3. As at 20 October 2017, there were 543 valid trader permits.
4. Under the previous system, the permit price was set at \$21 per year with no caps applied.
5. At the 1 May 2018 Ordinary Council Meeting, Council resolved to endorse the proposed changes to the Eltham Trader Parking Permit Scheme for the purposes of consultation and requested officers to report back to Council on the outcome.
6. The scheme which was approved for consultation, included a fee of \$250 per permit per year with a cap of two per business and a total pool of 141 permits. This scheme shall be referred to as the May 2018 scheme for the purposes of this report. Refer to **Attachment 1** for further details of the May 2018 scheme.

Policy context

7. This report directly supports the achievement of Council Plan 2017-2021 strategies:
 - Improve the appearance of public spaces.
 - Ensure the responsible and efficient management of Council's financial resources.
 - Plan for the community's future needs for services and infrastructure.

Budget implications

8. All costs associated with reviewing the May 2018 scheme have been managed within existing operational budgets.
9. All costs associated with managing and implementing the new Scheme are anticipated to be covered by income generated by permit purchases.

Consultation

10. Consultation with traders on the May 2018 scheme commenced in July 2018.

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

11. Of the 36 formal responses received, 35 opposed the proposal and one is uninterpretable. Officers also received multiple phone calls regarding the proposal. The following are the main themes of concern raised during the consultation process with the proposed May 2018 scheme:
- a) The fee increase (\$250) is too high;
 - b) Businesses have more than two employees;
 - c) Staff may be displaced into customer and residential parking;
 - d) Public transport is not a viable option for many staff;
 - e) Failing to see that there is a problem with the current scheme as trader parking is available; and
 - f) Alternative unrestricted parking within the CBD are considered inadequate due to distance from the shops and poor lighting.
12. A detailed summary of the consultation responses can be seen in **Attachment 2**.
13. The Eltham Chamber of Commerce and Industry (ECCI) completed their own survey. Results of this survey can be seen in **Attachment 3**.
14. As part of the consultation, ECCI suggested an alternative scheme which consisted of the following:
- a) A fee of between \$60 to \$80;
 - b) Tightening the criteria for issuing permits including a higher level of evidence that the applicant is a business owner or an employee of a business;
 - c) The number of permits any individual can hold should be restricted to one;
 - d) That permits should link to the registration number of one vehicles; and
 - e) That the scheme is a trial for 12 months.

Issues/options

15. The recommended scheme is as follows:
- \$100 per permit for the first five permit;
 - \$200 per permit for any additional permit(s);
 - Traders operating from business addresses 6-20 Luck Street, 19 Arthur Street and 906 Main Road will be ineligible for permits at the Circulatory Road and Dudley Street carparks, Eltham;
 - Council officers to form separate permit schemes with these businesses to allow traders and employees operating from these premises to park within the respective parking areas for these sites;
 - No caps on the number of permits issued; and
 - A review in 12 months to determine effectiveness of the new scheme in accordance with the guiding objectives.

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

16. The following objectives have been applied to guide the development of a suitable Scheme:
 - a) Functions as 'user pays' – The Scheme seeks to recover all administrative costs associated with managing the Scheme and operational costs associated with maintaining the carparks.
 - b) Practicable, equitable and fair to all traders and businesses – The Scheme seeks to consider historic data in understanding the demand for permits and analyse the availability of businesses to accommodate trader parking onsite.
 - c) Provides for an effective use of the allocated spaces – The Scheme seeks to balance supply and demand to create an efficient use of the carparks.
17. Officers have considered a number of options, including the proposal received from the ECCI. As the supply is set (141 carparking spaces), the options considered are largely focused on managing demand, guided by the Scheme objectives.
18. Therefore, the following three variables were considered in each option to appropriately address demand:
 - a) Costs of the permit.
 - b) Applying a cap per business.
 - c) Applying a cap to the total number of permits available within the Scheme.

Trader Parking Utilisation

19. A car parking survey was completed for the Eltham CBD which included the Circulatory Road and Dudley Street traders parking areas.
20. The results of the survey revealed the trader carparks reached peak capacity (close to 100 per cent full) between 12:00 and 3:00 pm on a typical weekday.
21. This somewhat validates the original claim that permit holders were finding it difficult to find parking in the trader carparks.

Demand Profile for Permits

22. Historic data over the last 10 years has been used to determine demand profiles for permits. A typical annual sample was taken to better understand demand.
23. **Figure 1** below represents the demand profile of this typical sample in terms of the total number of business who hold 'x' number of permits.

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

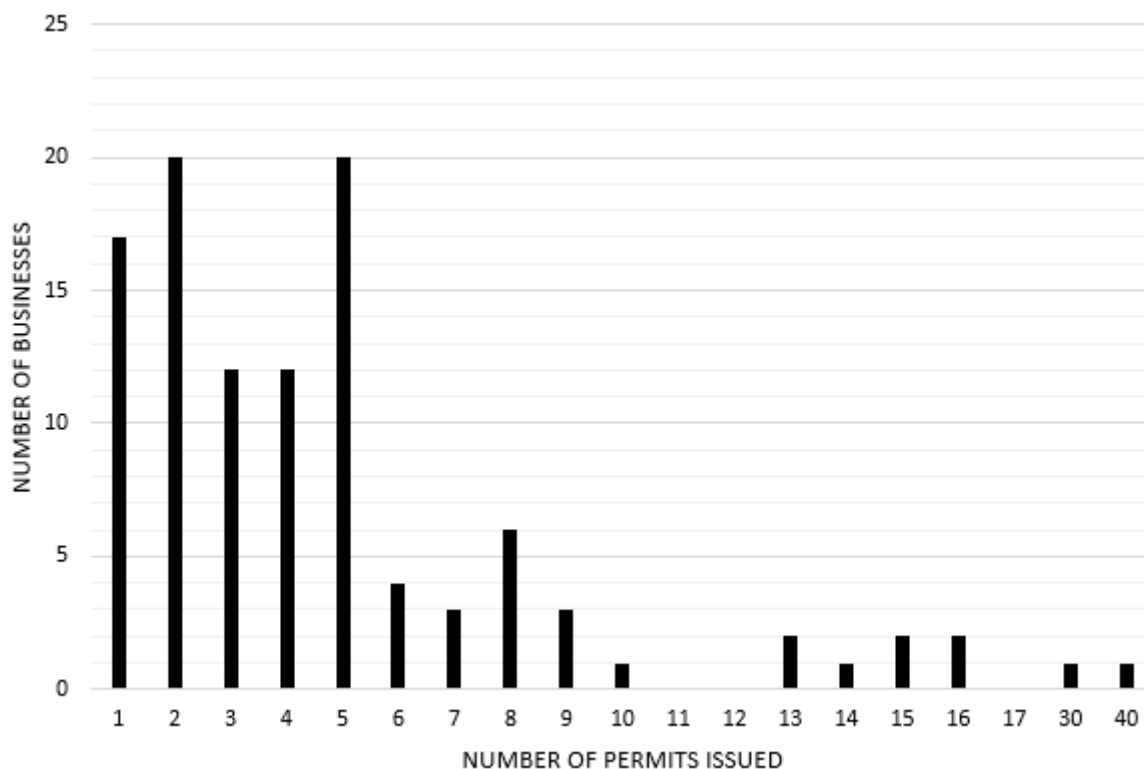


Figure 1: Permit demand profile

- 24. The majority (76 per cent) of businesses, held five or less permits.
- 25. Additionally, 26 business who had a need for over five permits, held over 50 per cent of the total number of permits issued.
- 26. 65 per cent of business held three or more permits. Therefore, applying a cap of two permits per business is likely to affect this large majority.
- 27. In this sample, 543 total permits were issued which resulted in a ratio of 3.8:1 for permits issued to parking spaces available.
- 28. At this ratio, the parking is at its peak for three hours of the day (refer to Item 20).
- 29. Applying an overall cap of 141 permits would create a ratio of 1:1 for permits issued to parking spaces available. There is limited evidence to support that this would result in an improved utilisation of the car parking area.

Fee Analysis

- 30. A benchmarking exercise was undertaken against neighbouring councils to determine the cost of trader permits.
- 31. The benchmarking exercise revealed that most councils implement a two-tier fee structure, with costs of the first permit(s) ranging between \$28 and \$300, and subsequent permit cost ranging between \$68 and \$248. The average fee for the first permit(s) is \$130.
- 32. The May 2018 scheme fee of \$250 per permit is within the benchmarked range and is considered reasonable.

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

- 33. A range of pricing options has been considered based on a demand profile of between 260 and 360 permits. At this demand profile range for a two-tier fee structure, it was found that the Scheme could achieve the objective of 'user pays' by applying fees less than \$250.
- 34. Officers considered the demand profile range of 260 and 360 to be reasonable when considering the typical sample demand was 543 (when permits cost \$21) and that an increase of between \$100 and \$250 per permit is likely to result in less permits being issued.

Equity

- 35. The May 2018 scheme proposal was to exclude businesses at 16-20 Luck Street, 19 Arthur Street and 906 Main Road, Eltham.
- 36. These business areas have substantial private onsite carparks as follows:
 - a) 6-20 Luck Street – 170 spaces
 - b) 19 Arthur Street – 293 spaces
 - c) 906 Main Road – 331 spaces
- 37. There are traders within these business areas that, within the typical sample taken, held parking permits for the Circulatory Road and Dudley Street carparks. **Table 1** below provides a summary of this.

Table 1: Quantity of permits issued for large business areas

Business	Number of permits To Circulatory Rd / Dudley Street car parks
Large Supermarket 1	15
Large Supermarket 2	2
Large Supermarket 3	3
Other businesses within 19 Arthur Street, 6-20 Luck Street and 906 Main Road	75
Total	95

- 38. The parking study undertaken in April 2018 indicated that there is sufficient car parking capacity within these sites to accommodate their own trader parking.
- 39. A summary of peak supply and demand for these large business areas taken from the parking study is shown in **Table 2**.

Table 2: Peak supply & demand for large business areas

Site	Supply	Peak Demand
6-20 Luck Street	170	149
19 Arthur Street	293	180
906 Main Road	331	267

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

40. Based on the historic permit demand, current parking supply and peak parking demand, it is reasonable to propose that these sites can accommodate trader parking for these business areas within the respective carparking for these sites.
41. Council currently administers the permits for the private carpark at 19 Arthur Street and could similarly administer the permits for the other two sites.
42. This would enable traders from these large business areas to gain access to a trader parking area providing them reasonable, fair and equitable access to trader parking.
43. Furthermore, the implementation of separate schemes for these three sites would reduce the overall demand for the Circulatory Road and Dudley Street trader carparks by approximately 100 permits.
44. This would result in reduced competition for trader parking spaces in the Circulator Road and Dudley Street carparks and allow for better utilisation of parking spaces within the private carparks.

Technology Restrictions

45. In their submission, the ECCI suggested that any new scheme should link a permit to the number plate of a single vehicle.
46. Council does not currently have the software or hardware to implement this request, nevertheless further investigation should be undertaken to determine feasibility of introducing this to any future trader parking schemes for the Eltham CBD precinct to the Eltham Trader Parking Permit Scheme review.

Conclusion

47. The intention of is to provide permit holders better access to trader permit parking spaces.
48. The May 2018 scheme sought to do this by managing demand through an increased fee (\$250 per permit), applying a cap per business (of two permits) and applying an overall cap (of 141) on the permits available within the scheme.
49. Following consultation with traders, officers have developed a new Eltham Trader Parking Permit Scheme. This report seeks Council endorsement for the proposed Scheme.
50. A future review will consider the introduction of technology to enable Council to have a system that creates ease of implementation such as number plate linked trader permits.

12. Officers' reports

OCM.117/19 Eltham Trader Parking Permit Scheme

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Council proposal at OCM on 1 May 2018

1. It is recommended that the fee be set to reduce the demand for parking permits, to cover maintenance cost and to encourage the use of other forms of transport. This is in line with priority action 3.10.8 of the Council Plan.
2. As a minimum the fee should not be less than \$140 to cover Council's costs, plus an additional amount to reduce demand. As such the initial fee should be set at \$1 per day being \$250 per year which would be the lowest fee for a guaranteed parking space in metropolitan Melbourne. This fee should be adjusted up or down after 12 months based on the take up of permits.
3. The number of permits per business should be limited to a maximum of 2 per business with priority given to properties with no on-site parking. A total of 141 permits would be issued.
4. Businesses at 19 Arthur Street (Woolworths), 6-20 Luck Street (Aldi) and 806 Main Road (Coles / Eltham Village) should not be eligible for permits with permit schemes established at 6-20 Luck Street and 806 Main Road similar to the one already in operation at 19 Arthur Street.
5. Consultation regarding the proposed changes to the parking permit scheme with permit holders and the Eltham Chamber of Commerce should be undertaken and a report prepared for a future Council meeting detailing any feedback.
6. Subject to consultation, the new permit system should commence on 1 June 2018.
7. All existing permits will continue to be recognised until the new system is implemented, no matter when they expire.

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Eltham Trader Parking Permit Scheme Review Feedback Summary

Following the resolution of Council to seek feedback on the proposed operational changes to the Eltham Trader Parking Permit Scheme, approximately 920 letters seeking feedback were sent to businesses, permit holders and business property owners in the Eltham Activity Centre. The letter was sent on 4 July 2018. Recipients were asked to provide comments and feedback by 31 July 2018.

36 responses were received equating to a response rate of approximately 4%. The minimal response rate suggests most recipients of the letter did not feel strongly enough against the proposal to provide feedback. It was anticipated that the responses received would be strongly weighted against the proposal largely due to the increase in cost.

Of the 36 responses received:

- 35 (97%) do not support, 0 (0%) support, 1 (3%) uninterpretable
- Majority of responses (21) were from businesses located on the east side of Main Road between Pryor Street and Arthurs Street
- Responses were recorded from 22 individual businesses
- 29 responses objected to the increase in cost
- 27 responses objected to the limit of 2 permits per business
- No responses suggested an alternative to the proposed scheme
- Several responses suggested keeping the existing scheme unchanged

Recurring concerns raised in feedback include:

- Business has more than 2 staff requiring a permit
- Increase in fee too high
- Staff may use customer parking or residential parking if trader parking is not provided
- Public transport is not a viable option for many staff
- Many responses noted they currently do not have difficulty finding a parking space in the trader permit parking
- Moving cars every 2 hours is not productive (if parked in areas with parking restrictions)
- Business owners will take permits – staff will not have a chance to get a permit
- Other all-day parking areas are not considered viable – either it is too far to walk or there is poor lighting raising concerns for personal safety at night

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Eltham Chamber of Commerce and Industry Feedback Summary

How many people currently work in your business? Median 10

Of the number listed above how many people employed by you utilise the current traders parking scheme? Median 5

Do you agree to the proposed changes to the parking scheme as outlined in the letter received from Nillumbik Shire Council inclusive of points 1-8 shown above? 96% No // 4% Yes

Do you want Nillumbik Shire Council to proceed with points 5 & 6 only (additional parking schemes)? 54% No // 46% Yes

Do you want Nillumbik Shire Council to keep park scheme it presently has in place? i.e. no changes remain \$21 annually – unlimited permits to business owners (providing proof of ownership). 27% No // 73% Yes

Do you want an alternative solution to the parking scheme? 77% Yes | No 23%

Where would you park if you were unable to secure a parking permit?

- *In the surrounding streets*
- *I Don't know*
- *Move every two hours*
- *Train Station*
- *Arrive to work significantly early to obtain a park on Bible Street*
- *Arthur Street*
- *Customers Spots*

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12. Officers' reports**OCM.118/19 Financial statements and performance statement for 2018-2019**

Distribution: Public**Manager: Vince Lombardi, Chief Financial Officer****Author: Melika Sukunda, Manager Finance****Summary**

Council is required to produce an audited Annual Financial Report and a Performance Statement pursuant to the requirements and process outlined in the *Local Government Act 1989* (the Act) and the Local Government (Planning and Reporting) Regulations 2014.

The draft 2018-2019 Annual Financial Report and the draft 2018-2019 Performance Statement have been reviewed by Council's external auditors on behalf of the Victorian Auditor General.

For the 2018-2019 financial year, Council has achieved an operating surplus of \$10.202 million on an accrual basis.

This report recommends that Council approves 'in principle' the 2018-2019 accounts and appoints the Mayor, Deputy Mayor and Chief Executive Officer to sign the 2018-2019 Annual Financial Report and the 2018/2019 Performance Statement.

Council has produced a Performance Statement in accordance with the Local Government Performance Reporting Framework. This provides results on a range of prescribed indicators of service performance, financial performance and sustainable capacity.

The draft statements have been presented to Council's Audit and Risk Committee which has recommended that Council give 'in principle' approval for the statements pursuant to section 132 of the Act, prior to formal presentation to the Victorian Auditor General.

Recommendation**That Council:**

1. Approves 'in principle' the 2018-2019 Annual Financial Report (**Attachment 1**) and 2018-2019 Performance Statement (**Attachment 2**).
2. Authorises the Mayor, Deputy Mayor and the Chief Executive Officer to sign the 2018-2019 Annual Financial Report and 2018/2019 Performance Statement in their final form after any changes recommended, or agreed to, by the auditor have been made.

Attachments

1. 2018-2019 Annual Financial Report
2. 2018-2019 Performance Statements

12. Officers' reports

OCM.118/19 Financial statements and performance statement for 2018-2019

Background

1. Council is required to produce an audited Annual Financial Report and a Performance Statement pursuant to the requirements and process outlined in the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.
2. Section 132 of the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014 require Council to:
 - a) Adopt a resolution giving its approval, 'in principle', to the Annual Financial Report and Performance Statement before they are submitted to the Auditor General.
 - b) Authorise two Councillors and the Chief Executive Officer to certify the statements in their final form, after any changes recommended, or agreed to, by the auditor have been made.

Policy context

3. This report directly supports the achievement of the Council Plan 2017-2021 strategy:
 - Ensure responsible and efficient management of Council's financial resources.

Budget implications

4. This is a statutory procedural matter, the associated costs for which are contained within the operating budget.

Consultation/communication

5. The development of the draft Annual Financial Report and Performance Statement has been undertaken in consultation with Council's external auditors on behalf of the Victorian Auditor General, and the Audit and Risk Committee.

Approval process

6. Audit work has been completed by Council's external auditors and officers have prepared drafts of the 2018-2019 Financial Report and Performance Statement for submission to the Auditor General. A copy of these statements, forming the 'in principle' statements, is provided in **Attachment 1 and 2**.
7. The Statements were presented to the Audit and Committee on 12 August 2019. The recommendations of the Audit and Risk Committee were:
 - a) Record its approval 'in principle' to the Annual Financial Report and Performance Statement (the statements) for the year ended 30 June 2019;
 - b) That subject to the review of the final version of the Financial Report and the Performance Statement, that Council:
 - i) Authorise the Chief Executive Officer to send the statements to the Auditor General
 - ii) Authorise the Chief Executive Officer, the Mayor, and Deputy Mayor to certify the final version of the statements

12. Officers' reports

OCM.118/19 Financial statements and performance statement for 2018-2019

- iii) Authorise the Finance Manager to implement any non-material changes to the statements as recommended by the Auditor General, and provide a summary of such changes to the Audit and Risk Committee at its next meeting. Any material changes will be discussed with the Chair of the Audit and Risk Committee prior to being presented to Council.
- 8. The following process is required to ensure that Council's Financial Report and Performance Statement are submitted to the Auditor General in a timely manner, enabling the Auditor General to officially express his opinion prior to the statutory deadline of 30 September 2019:
 - a) Council must meet formally to review the draft Financial Report and Performance Statement, and resolve that Council approves the report and statements 'in principle' and authorises two Councillors and the Chief Executive Officer to sign the final report and statements on behalf of, and with the full authority of, Council. The 'in principle' report and statements and the Council resolution are given to the external auditor;
 - b) The external auditor checks the 'in principle' report and statements. The report and statements, the Council resolution, and the external auditors recommended Audit Report will then be forwarded to the Auditor General for review;
 - c) The Auditor General reviews the report and statements and requests any changes where appropriate;
 - d) The Principal Accounting Officer, (Finance Manager) then considers the Auditor General's requested changes and incorporates them into the 'in principle statements', where appropriate;
 - e) The Principal Accounting Officer will identify any matters of significance, including proposed qualification issues, not previously considered by the Council and formally draw Council's attention to them prior to the formal sign off of the statements by the two designated Councillors and the Chief Executive Officer;
 - f) If Council and the Auditor General are satisfied with the statements, the statements are to be signed by the delegated Councillors and the Chief Executive Officer and forwarded to the Auditor General;
 - g) The Auditor General's Audit Reports will be issued to the Council once the formally signed statements have been received and checked by the Auditor General; and
 - h) The organisation's 2018-2019 Annual Report, including the audited Financial Report and Performance Statement, must be forwarded to the Minister by 30 September 2019.

Performance Statement

- 9. Council has produced a Performance Statement in accordance with the Local Government Performance Reporting Framework.
- 10. The Performance Statement reports the audited results for 2018-2019 for the prescribed indicators of service performance, financial performance and sustainable capacity.

12. Officers' reports

OCM.118/19 Financial statements and performance statement for 2018-2019

11. The financial performance and sustainable capacity indicators include several of the indicators used by the Victorian Auditor-General to assess the financial sustainability of local government.
12. The overall assessment of Council's financial sustainability will be confirmed by the Auditor-General in the annual report on Victorian local government in late 2019, which will also confirm the indicators to be applied for 2018-2019.
13. In addition to the audited Performance Statement, the results for a range of other indicators are reported in the Report of Operations as part of the Annual Report.

Conclusion

14. It is recommended that Council give 'in principle' approval to the 2018-2019 Annual Financial Report and Performance Statement and authorise two Councillors and the Chief Executive Officer to sign the statements in their final form after any changes recommended, or agreed to, by the auditor have been made.

Nilumbik Shire Council

Annual Financial Report
For the year ended 30 June 2019

nillumbik.vic.gov.au    



**Nillumbik Shire Council
Financial Report
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**Nillumbik Shire Council
Certification of the Financial Report
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 CAIAA
Principal Accounting Officer

Date :
GREENSBOROUGH

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 :
GREENSBOROUGH

Bruce Ranken (Deputy Mayor)
Councillor

Date :
GREENSBOROUGH

Carl Cowie
Chief Executive Officer

Date :
GREENSBOROUGH

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**Nillumbik Shire Council
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		<u>102,305</u>	<u>96,862</u>
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		<u>92,103</u>	<u>80,310</u>
Surplus/(deficit) for the year		<u>10,202</u>	<u>16,552</u>
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		<u>13,805</u>	<u>175,533</u>

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

**Nillumbik Shire Council
Balance Sheet
As at 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.

**Nillumbik Shire Council
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					
		Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
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.

**Nillumbik Shire Council
Statement Of Cash Flows
For The Year Ended 30 June 2019**

	2019	2018
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'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.

**Nillumbik Shire Council
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		<u>2,176</u>	<u>-</u>
Buildings		1,201	2,129
Buildings - heritage		-	-
Total buildings		<u>1,201</u>	<u>2,129</u>
Total property		<u>3,377</u>	<u>2,129</u>
Plant and equipment			
Plant, machinery and equipment		278	642
Furniture, equipment and computers		15	109
Artwork		-	-
Total plant and equipment		<u>293</u>	<u>751</u>
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		<u>23,578</u>	<u>21,017</u>
Total capital works expenditure		<u>27,248</u>	<u>23,897</u>
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		<u>27,248</u>	<u>23,897</u>

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

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Overview

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*.

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

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 percent where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 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*.

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%	

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 1 Performance against budget (continued)

1.1 Income and expenditure (continued)

(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.
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.

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 1 Performance against budget (continued)

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%	
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%	

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 1 Performance against budget (continued)

1.2 Capital works (continued)

(i) Explanation of material variances

Ref	Explanation
1	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.
2	Land improvements , works completed on land improvements across the Shire, including fencing and landscaping, accounted for across other budget lines.
3	Buildings , variance due to works on Edendale and Eltham Men's Shed carried forward from 2018-19 and additional improvements for Early Years facilities.
4	Plant, machinery and equipment , variance caused by a delay in budgeted spend.
5	Roads , variance driven by completion of works from prior year including special charge schemes at Womes Lane and Rogers
6	Bridges , variance is attributable to lower than expected spend on bridge rehabilitation works.
7	Footpaths, trails and cycleways , variance due to additional spend on footpath renewal works completed across the Shire.
8	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.
9	Waste management , Landfill rehabilitation costs have been recognised via the Provision for Landfill Rehabilitation and have been expensed accordingly.
10	Parks, open space and streetscapes , variance due to works completed on open space, including Civic Drive precinct.
11	Other infrastructure , variance is attributable to lower than expected spend on other infrastructure projects.

**Nillumbik Shire Council
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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 2 Analysis of Council results by program (continued)

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total capital expenditure	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	937,830
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	938,355

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total capital expenditure	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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	921,851
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	922,429

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 3 Funding for the delivery of our services	2019	2018
	\$'000	\$'000

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).

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 3 Funding for the delivery of our services (continued)	2019	2018
	\$'000	\$'000
3.4 Funding from other levels of government		
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		
<i>Recurrent - Commonwealth Government</i>		
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
<i>Recurrent - State Government</i>		
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
<i>Non-recurrent - State Government</i>		
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

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 3 Funding for the delivery of our services (continued)	2019	2018
	\$'000	\$'000
3.4 Funding from other levels of government (continued)		
(b) Capital Grants		
<i>Non-recurrent - Commonwealth Government</i>		
Recreation	170	-
Bridges	-	683
Roads	-	328
Roads to recovery	-	400
<i>Non-recurrent - State Government</i>		
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	<u>14,325</u>	<u>4,138</u>
Total capital grants	<u>14,325</u>	<u>4,138</u>
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	<u>15,789</u>	<u>5,777</u>
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	<u>3,883</u>	<u>7,689</u>
<i>Contributions of non-monetary assets were received in relation to the following asset classes:</i>		
Infrastructure	1,845	5,100
Total non-monetary contributions	<u>1,845</u>	<u>5,100</u>
Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.		
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
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	<u>(3,221)</u>	<u>1,351</u>

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

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 3 Funding for the delivery of our services (continued)	2019	2018
	\$'000	\$'000
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	<u>2,595</u>	<u>2,824</u>

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	<u>34,210</u>	<u>31,984</u>

(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	-	-
	<u>162</u>	<u>129</u>
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
	<u>2,606</u>	<u>2,437</u>
Employer contributions payable at reporting date.	<u>-</u>	<u>98</u>

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 4 The cost of delivering services (continued)	2019	2018
	\$'000	\$'000
4.2 Materials and services		
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
<i>Refer to note 6.2 for a detailed breakdown of depreciation</i>		
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.		

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 4 The cost of delivering services (continued)	2019	2018
	\$'000	\$'000
4.6 Other expenses		
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
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Non-current

Investment - MAPS	5	5
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Total other financial assets	1,005	1,005
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Total financial assets	45,259	47,675
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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
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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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 5 Our financial position (continued)	2019	2018
	\$'000	\$'000
5.1 Financial assets (continued)		
(c) Trade and other receivables		
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	<u>9,900</u>	<u>8,032</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	902	550
Total non-current trade and other receivables	<u>902</u>	<u>550</u>
Total trade and other receivables	<u>10,802</u>	<u>8,582</u>

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 & other receivables	<u>2,551</u>	<u>1,338</u>

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	<u>374</u>	<u>342</u>

5.2 Non-financial assets

(a) Inventories

Fuel	27	22
Total inventories	<u>27</u>	<u>22</u>

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 5 Our financial position (continued)	2019	2018
	\$'000	\$'000
5.2 Non-financial assets (continued)		
(b) Other assets		
Current		
Prepayments	1,018	1,699
Accrued income	5,072	2,677
Total current other assets	<u>6,090</u>	<u>4,376</u>
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	<u>10,707</u>	<u>8,904</u>
(b) Trust funds and deposits		
Refundable deposits	378	337
Retention amounts	785	525
Other refundable deposits	887	786
	<u>2,050</u>	<u>1,648</u>

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 5 Our financial position (continued)	2019	2018
	\$'000	\$'000
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	2,794	2,121
	<u>2,794</u>	<u>2,121</u>
Non-current		
Borrowings - secured	9,298	10,615
	<u>9,298</u>	<u>10,615</u>
Total	<u>12,092</u>	<u>12,736</u>
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	<u>12,092</u>	<u>12,736</u>

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 percent of the total fixed asset portfolio, or 22 percent of general rates and municipal charge levied in the 2018-19 financial year.

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 5 Our financial position (continued)

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	2018
		\$'000	\$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		689	718
Long service leave		858	899
		<u>1,547</u>	<u>1,617</u>
Current provisions expected to be wholly settled after 12 months			
Annual leave		1,398	1,458
Long service leave		3,434	3,595
		<u>4,832</u>	<u>5,053</u>
Total current provisions		<u>6,379</u>	<u>6,670</u>
Non-current			
Long service leave		369	569
Total non-current provisions		<u>369</u>	<u>569</u>
Aggregate carrying amount of employee provisions			
Current		6,379	6,670
Non-current		369	569
Total aggregate carrying amount of employee provisions		<u>6,748</u>	<u>7,239</u>

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.

Nilumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 5 Our financial position (continued)

	2019	2018
	\$'000	\$'000
5.5 Provisions (continued)		
(a) Employee provisions (continued)		
<i>Long service leave</i>		
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.		
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	<u>7,947</u>	<u>7,138</u>
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	<u>14,695</u>	<u>14,377</u>
5.6 Financing arrangements		
Council has the following funding arrangements in place as at 30 June 2019.		
Credit card facilities	153	153
Total facilities	<u>153</u>	<u>153</u>
Used facilities	30	21
Unused facilities	123	132
Total	<u>153</u>	<u>153</u>

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 5 Our financial position (continued)

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	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
2019	\$'000	\$'000	\$'000	\$'000	\$'000
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
	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

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 5 Our financial position (continued)	2019	2018
	\$'000	\$'000

5.7 Commitments (continued)

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):

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
	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

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 its 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.

Nilumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 6 Assets we manage (continued)

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	24,086	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

Nilumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 6 Assets we manage (continued)

6.2 Property, Infrastructure, plant and equipment (continued)

(a) Property

	Land - specialised	Land - non-specialised	Land - improvements	Land	Total Land	Buildings - heritage	Buildings - specialised	Buildings - non-specialised	Total buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	1,704	416,569	5,734	424,007	11,401	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)	-	(3,994)	(29,639)	(272)	(33,804)	-	(45,977)
	1,704	416,569	4,962	423,235	11,401	6,398	29,569	41	36,008	4,533	463,776
Movements in fair value											
Acquisition of assets at fair value	-	-	368	368	-	-	596	611	1,197	9,377	10,942
Revaluation increment/(decrement)s	-	-	-	-	-	-	603	30	633	-	633
Fair value of assets disposed	-	(527)	-	(527)	-	-	342	601	943	(1,647)	(845)
Transfers	-	(527)	368	(159)	-	-	1,531	1,242	2,773	6,885	9,499
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	(117)	(117)	(101)	(101)	(1,109)	(35)	(1,245)	-	(1,362)
Revaluation increment/(decrement)s	-	-	-	-	(7)	(7)	(19)	(2)	(28)	-	(28)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	(117)	(117)	(109)	(109)	(1,129)	(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	

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

(b) Plant and equipment

	Plant machinery, equipment and motor vehicles	Fixtures, fittings and furniture	Computers and telecomms	Artwork	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'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)
	<u>2,964</u>	<u>211</u>	<u>367</u>	<u>2,475</u>	<u>6,017</u>
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	-	-	-	-	-
	<u>(449)</u>	<u>15</u>	<u>(1,217)</u>	<u>-</u>	<u>(1,651)</u>
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	-	-	-	-	-
	<u>(264)</u>	<u>(97)</u>	<u>1,246</u>	<u>-</u>	<u>885</u>
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)
	<u>2,251</u>	<u>129</u>	<u>396</u>	<u>2,475</u>	<u>5,251</u>

Millumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 6 Assets we manage (continued)

6.2 Property, Infrastructure, plant and equipment (continued)

(c) Infrastructure

	Roads	Bridges	Footpaths, trails and cycleways	Drainage	Recreational leisure and community	Kart and channel management	Waste management	Parks, open spaces and streetscapes	Other infrastructure	Work in progress	Total Infrastructure
Infrastructure											
At fair value 1 July 2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
259,665	15,480	26,759	130,571	117,243	25,427	1,287	11,417	10,941	19,533	618,223	
(41,350)	(5,255)	(11,822)	(41,316)	(45,830)	(9,175)	(1,202)	(3,145)	(7,169)	-	(166,285)	
218,315	10,224	14,937	89,255	71,413	16,252	86	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	15,885	
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)	(513)	(419)	-	(9,314)	
Revaluation increment/(decrement)	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)	(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	11,599	5,521	632,148
(43,171)	(6,405)	(11,946)	(46,185)	(42,517)	(9,686)	(1,287)	(3,659)	(7,988)	-	(171,454)	
220,210	10,028	13,560	86,520	93,817	15,882	-	11,155	4,001	5,521	460,694	

**Nilumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

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.

<i>Asset recognition thresholds and</i>	Useful life Years	Threshold \$
Property		
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

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Land under roads

Council recognises land under roads it controls at fair value.

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 unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets. These unobservable inputs are not significant to the entire measurement.

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

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1	Level 2	Level 3	DoV
	\$'000	\$'000	\$'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	

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Council's Director Sustainability and Place 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
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

**Nilumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 6 Assets we manage (continued)	2019	2018
	\$'000	\$'000
6.3 Investment in associate		
Investments in associate accounted for by the equity method is:		
- Yarra Plenty Regional Library Service	1,330	1,597
Yarra Plenty Regional Library Service		
<i>Background</i>		
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 percent.		
Fair value of Council's investment in Yarra Plenty Regional Library Service	<u>1,330</u>	<u>1,597</u>
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	<u>532</u>	<u>802</u>
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	<u>1,331</u>	<u>1,597</u>
Council's share of expenditure commitments		
Operating commitments	1,356	74
Capital commitments	242	65
Council's share of expenditure commitments	<u>1,598</u>	<u>139</u>
Council's share of contingent liabilities and contingent assets	<u>-</u>	<u>-</u>
Yarra Plenty Regional Library Service Contributions		
Contributions to associate	<u>2,761</u>	<u>2,694</u>

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 7 People and relationships	2019	2018
	<i>No.</i>	<i>No.</i>
7.1 Council and key management remuneration		
(a) Related parties		
<i>Subsidiaries and associates</i>		
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	2018
	<i>No.</i>	<i>No.</i>
Total number of Councillors	7	7
Chief Executive Officer and other key management personnel	12	15
Total key management personnel	<u>19</u>	<u>22</u>

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 7 People and relationships (continued)	2019	2018
	\$'000	\$'000
7.1 Council and key management remuneration (continued)		
(c) Remuneration of key management personnel		
Total remuneration of key management personnel paid in 2018-19 was as follows:		
Short-term benefits	2,578	2,124
Long-term benefits	159	144
Termination benefits	369	210
Total	<u>3,106</u>	<u>2,478</u>

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

	2019	2018
	<i>No.</i>	<i>No.</i>
\$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 - \$69,999	1	-
\$70,000 - \$79,999	-	2
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	-	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
	<u>19</u>	<u>22</u>

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 7 People and relationships (continued)

7.1 Council and key management remuneration (continued)

(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.

	2019	2018
	<i>No.</i>	<i>No.</i>
The number of senior officers are shown below in their relevant income bands:		
\$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	-
	11	9

*Figures include long term and termination benefits paid

	2019	2018
	\$'000	\$'000
Total Remuneration for the reporting year for senior officers included above, amounted to:	1,698	1,308

7.2 Related party disclosure

(a) Transactions with related parties

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

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 8 Managing uncertainties (continued)	2019	2018
	\$'000	\$'000

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.

Total contributions - non monetary received by Council	1,835	5,100
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(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	2018
	\$'000	\$'000

Total guarantees for loans to other entities	1,069	974
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The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 8 Managing uncertainties (continued)

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

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 \$1.63million 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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 8 Managing uncertainties (continued)

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.

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 8 Managing uncertainties (continued)

8.3 Financial Instruments (continued)

(c) Credit risk (continued)

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.

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 percent and -1 percent in market interest rates (AUD) from year-end rates of 2.65 percent.

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.

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 8 Managing uncertainties (continued)

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.

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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 8 Managing uncertainties (continued)

8.4 Fair value measurement (continued)

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.

Nillumbik Shire Council
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 \$'000	Increment/ (decrement) \$'000	Balance at end of reporting period \$'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.

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 9 Other matters (continued)

9.1 Reserves (continued)

(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 \$'000	Net of transfer to / (from) accum. surplus \$'000	Balance at end of reporting period \$'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

Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019

Note 9 Other matters (continued)

9.1 Reserves (continued)	Balance at beginning of reporting period \$'000	Net of transfer to / (from) accum. surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves (continued)			
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
		2019	2018
		\$'000	\$'000
(c) Statutory cash backed and capital works reserves			
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

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

	2019	2018
Note 9 Other matters (continued)	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
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	<u>22,046</u>	<u>22,809</u>

**Nillumbik Shire Council
Notes To The Financial Report
For The Year Ended 30 June 2019**

Note 9 Other matters (continued)

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.

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 percent required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. 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. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment return	6.5 percent p.a
Salary inflation	3.5 percent p.a
Price inflation (CPI)	2.5 percent p.a

Vision Super has advised that the estimated VBI at 31 March 2019 was 105.4 percent.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100 percent, 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.

Defined Benefit 2017 triennial actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million;
- A total service liability surplus of \$193.5 million; and
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in December 2019.

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Nilumbik Shire Council

Performance Statement
For the year ended 30 June 2019



nillumbik.vic.gov.au    

**Nillumbik Shire Council
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 63,158 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.

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Sustainable Capacity Indicators	2015					2016					2017					2018					2019				
	Indicator/measure	2015	2016	2017	2018	2019	Indicator/measure	2015	2016	2017	2018	2019	Indicator/measure	2015	2016	2017	2018	2019	Indicator/measure	2015	2016	2017	2018	2019	
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																			
																								\$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.	
<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																			
																									\$7,928.29
																									The increase is reflective of Council's significant investment in upgrades to Council infrastructure in the current financial year.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]		82.08	81.09	81.81	81.92	84.01																			
																									84.01
																									The increase is driven by 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																			\$1,183.46
																									The decreasing trend is reflective of 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																			\$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																			10.00
																									Council's relative socio-economic disadvantage remains stable and the current result is comparable to the previous year.

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Service Performance Indicators	2015	2016	2017	2018	2019
Service Indicator Measure					Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.18	2.56	0.80	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	92.41%	100.00%	100.00%	95.24%	94.40% 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.
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	66.70	64.20	57.40	63.00	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.

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Service Performance Indicators (continued)	2015	2016	2017	2018	2019
Service Indicator Measure Home and Community Care (HACC)					
Participation [Number of people that received a HACC service / Municipal target population for HACC services] x100	24.50%	23.88%	-	-	Material Variations
<i>Participation in HACC service</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	23.74%	40.84%	-	-	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries					
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	24.88%	23.71%	25.94%	27.38%	30.17% During the year, a total of 19,592 Nilumbik 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]	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 Nilumbik.
<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 Nilumbik. 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.

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Service Performance Indicators (continued)		2015	2016	2017	2018	2019
Service Indicator/measure						Material Variations
Roads						
Satisfaction						
<i>Satisfaction with sealed local roads</i>	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.60	65.20	65.30	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>	36.36%	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.
	[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					
Waste Collection						
Waste diversion	<i>Kerbside collection waste diverted from landfill</i>	70.00%	69.30%	66.17%	63.66%	59.06% Nilumbik 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 recyclables to landfill due to shut-down of Council's kerbside recycling contractor. Nilumbik continues to be well above the State diversion targets.
	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Financial Performance Indicators	Results					Forecasts			Material Variations	
	2015	2016	2017	2018	2019	2020	2021	2022		2023
Dimension/Indicator/measure										
Efficiency										
<i>Revenue level</i>										
<i>Average residential rate per residential property assessment</i>	\$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.
<i>[Residential rate revenue / Number of residential property assessments]</i>										
Expenditure level										
<i>Expenses per property assessment</i>	\$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.
<i>[Total expenses / Number of property assessments]</i>										
Workforce turnover										
<i>Resignations and terminations compared to average staff</i>	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.
<i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>										
Liquidity										
<i>Working capital</i>										
<i>Current assets compared to current liabilities</i>	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 year expended.
<i>[Current assets / Current liabilities] x100</i>										

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Financial Performance Indicators	Results					Forecasts			Material Variations	
	2015	2016	2017	2018	2019	2020	2021	2022		2023
Dimensional Indicator measure Liquidity (continued)										
<i>Unrestricted cash</i>	71.82%	62.99%	53.74%	84.76%	67.97%	69.10%	79.47%	78.37%	84.64%	The trend reflects a marginal increase 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.
<i>Unrestricted cash compared to current liabilities</i>										
<i>[Unrestricted cash / Current liabilities] x100</i>										
Obligations										
<i>Asset renewal</i>										
<i>Asset renewal compared to depreciation</i>	52.09%	74.99%	70.56%	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.
<i>[Asset renewal expense / Asset depreciation] x100</i>										
Loans and borrowings										
<i>Loans and borrowings compared to rates</i>	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.
<i>[Interest bearing loans and borrowings / Rate revenue] x100</i>										
Loans and borrowings repayments compared to rates	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.
<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>										
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i>	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 in increase in own source revenue.
<i>[Non-current liabilities / Own source revenue]</i>										

Nilumbik Shire Council
Performance Statement
For The Year Ended 30 June 2019

Financial Performance Indicators	Results					Forecasts			Material Variations	
	2015	2016	2017	2018	2019	2020	2021	2022		2023
Dimensional indicator measure										
Operating position										
<i>Adjusted underlying result</i>										
<i>Adjusted underlying surplus (or deficit)</i>	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.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100										
Stability										
<i>Rates concentration</i>										
<i>Rates compared to adjusted underlying</i>	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.
[Rate revenue / Adjusted underlying revenue] x100										
Rates effort										
<i>Rates compared to property values</i>	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.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

Nillumbik Shire Council
Notes To The 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 (e.g. *Australian Bureau of Statistics*).

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 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.

Nillumbik Shire 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 CAANZ
Principal Accounting Officer

Date :
GREENSBOROUGH

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 :
GREENSBOROUGH

Bruce Ranken (Deputy Mayor)
Councillor

Date :
GREENSBOROUGH

Carl Cowie
Chief Executive Officer

Date :
GREENSBOROUGH

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12. Officers' reports

OCM.119/19 Council Plan Quarterly Performance Report

Distribution: Public

Manager: Jeremy Livingston, Executive Manager Business Transformation and Performance

Author: James Hartigan, Business Performance Analyst
Sue Richards, Business Support Officer

Summary

The purpose of this report is to present the Council Plan Quarterly Performance Report for Council's consideration. The attached report provides the final quarterly update on the progress of the 2018-2019 Annual Plan priority actions, which aligns to delivery of the Council Plan 2017-2021.

Of the 51 actions in the 2018-2019 Annual Plan, 41 are complete, five have minor issues/delays, and five actions have been re-scoped and are now due to be delivered in the 2019-2020 year.

The year's performance against the delivery of the Council Plan will be published in the Annual Report 2018-2019, which will be presented to the Minister for Local Government before 30 September 2019.

Recommendation

That Council receives the Council Plan Quarterly Performance Report (**Attachment 1**) for the fourth quarter, being the period ending 30 June 2019.

Attachments

1. Council Plan Quarterly Performance Report

Background

1. The Council Plan 2017-2021 was developed following the general Council election in October 2016 and adopted by Council on 27 June 2017.
2. The Annual Plan 2018-2019 was developed and endorsed at the June 2018 Ordinary Council Meeting. The Annual Plan 2018-2019 contains 51 actions contributing to delivery of the Council Plan within the corresponding financial year.
3. This report provides Council with an update on the progress delivery of the 51 Annual Plan actions. The report documents how Council is performing and delivering on the Council Plan for the Nillumbik community.

Policy context

4. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Maintain good governance and effective leadership.

Budget implications

5. This report is part of Council's monitoring of the Council Plan and Budget. The resources for the monitoring and the preparation of this report are accommodated within existing operational budgets.

12. Officers' reports

OCM.119/19 Council Plan Quarterly Performance Report

Consultation/communication

6. The Council Plan 2017-2021 was developed following a comprehensive program of workshops and briefings with Councillors following the general Council election in October 2016, as well as a period of consultation with the community in May and June 2017. The Council Plan 2017-2021 was adopted by Council on 27 June 2017.
7. The Annual Plan 2018-2019, which was developed following two briefings with Councillors and adopted by Council in June 2018, contains 51 actions contributing to delivery of the Council Plan within the corresponding financial year.

Commentary on performance report

8. The 2018-2019 Annual Plan contributes to the delivery of the Council Plan 2017-2021 through 51 priority actions that sit under the five high-level strategic objectives of:
 - 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.
9. Of the 51 actions in the 2018-2019 Annual Plan, 41 are complete, five have minor issues/delays, and five actions have been re-scoped and are now due to be delivered in the 2019-2020 year.
10. Some highlights of activities and deliverables achieved during the final quarter (April to June) include:
 - The Nillumbik brand refresh has been developed and was endorsed at the May Council Meeting. The implementation and training plan commenced on 1 July (Action 2);
 - The Nillumbik Women's Network has been re-established by the community and Council and support has been provided in the form of identifying grant opportunities, offering promotional opportunities and a meeting space (Action 4);
 - With respect to an integrated strategy for managing open space, roadsides, waterways and parklands, inspections and works have been undertaken to ensure that the risks associated with trees in high use areas are mitigated (Action 11);

12. Officers' reports

OCM.119/19 Council Plan Quarterly Performance Report

- In terms of investigating potential uses for the former Council landfill sites in Plenty and Kangaroo Ground, Plenty landfill is being considered as the site for a solar farm and investment options are being assessed. Planning and procurement has been undertaken for the commencement of the capping works at the Kangaroo Ground landfill site (Action 15);
- The feasibility study of a regional art gallery is complete and was reported to the June Council Meeting. The study is now open for community feedback via the Participate Nillumbik website (Action 16);
- The Art Collection Policy review is complete and this was reported to the June Council Meeting. Community feedback has been sought via the Participate Nillumbik website (Action 19);
- Implementation of the first full year of the Arts and Cultural Plan has seen over 151,000 active participants across a wide spectrum of creative and cultural programs, activities and events (Action 21);
- Performing arts have been recognised through a dedicated performing arts grants stream, with strong uptake from community, and over 13,600 participants from performers, stage crew, script writers and audiences. (Action 22);
- The draft Green Wedge Management Plan was formally endorsed for public consultation at the June Council Meeting. Community consultation on the draft plan commenced for 6 weeks, beginning 1 July (Action 23);
- At the April Council Meeting, the draft Bushfire Mitigation Strategy 2019-2023 was endorsed for further community consultation. The strategy was formally adopted by Council at the July 2019 Council Meeting (Action 25);
- With respect to the Climate Change Action Plan, a feasibility study for solar panels on the Eltham Leisure Centre to provide renewable energy for Council's largest stationary energy consumer has been completed. Three low emission vehicles have been purchased as pool cars which reduces Council's fleet emissions (Action 27);
- The Sugarloaf Link project designed to control deer, fox and blackberry is underway with a contract to engage deer control specialists completed and eligible landholders have registered to take part in the program (Action 28);
- The Domestic Wastewater Management Plan 2019 was adopted at the June Council Meeting, following community engagement and consultation. This environmental policy will help protect biodiversity and conserve natural resources (Action 32);
- Council has delivered approximately \$300k across this year on trail improvement works. This is inclusive of resurfacing and upgrades to the Diamond Creek Trail and a new horse trail connection in Rodger Road, Panton Hill. (Action 36);
- Nillumbik's integration with Yarra Ranges Tourism and transition to Visit Nillumbik is now complete (Action 40);

12. Officers' reports

OCM.119/19 Council Plan Quarterly Performance Report

- The implementation of land sale decisions, specifically the rezoning and introduction of protections for parcels of land to be retained, are progressing (Action 45);
 - Council's staff and culture survey (undertaken by an external contractor) was completed in June to gather feedback about our current staff culture and organisational systems (Action 49); and
 - Research of online performance and Human Resource Information Systems (HRIS) was conducted, and the Aurion (current payroll system) performance and development system has been commissioned as the future repository of employee performance plans and reviews (Action 50).
11. The following actions have been re-scoped during the course of the year and will be delivered in the 2019-2020 financial year:
- Commence 2050 Shire Plan (Action 1). This item was re-scoped in June following the recent State Government announcement on reforms to the Local Government Act, which would essentially legislate a similar product. In 2019-2020, Council will produce research and discussion papers which will represent preliminary work contributing to a longer term plan to be delivered in 2021, as envisaged by the proposed Local Government reforms.
 - Scope a Lifelong Learning Plan with key stakeholders (Action 3). Scoping of a Lifelong Learning Plan with key stakeholders has been put on hold and will be undertaken with a Coordinator for the Vocational Education and Training (VET) program having now been appointed.
 - Commence a review of the Open Space and Recreation Strategy (Action 10). Although delivery is still occurring under the existing strategy, a review of the current strategy has not yet commenced and is now due to be delivered in 2019-2020.
 - Develop a Housing Strategy (Action 24). At the November 2018 Council meeting, an expanded project scope for the Housing Strategy review was supported, which included revised timeframes including adoption in the third quarter of 2019-2020.
 - Implementation of the first phase of Technology Strategy (Action 51). The re-scope has commenced with the identification of key projects focusing on system upgrades across the business.
12. The year's performance against the delivery of the Council Plan will be published in the Annual Report 2018-2019, which will be presented to the Minister of Local Government before 30 September 2019.

Conclusion

13. The Council Plan Quarterly Performance Report provides an update on the outcome of the Council Plan at the end of the final quarter of the 2018-2019 financial year. The report documents how Council performed and delivered over the final quarter and provides an end of year overview on the Council Plan for the Nillumbik community. The overall position suggests that Council continues to make a solid effort at delivering on the priority actions and significant outcomes for the community.

Council Plan Quarterly Performance Report

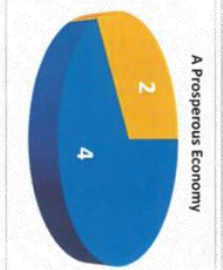
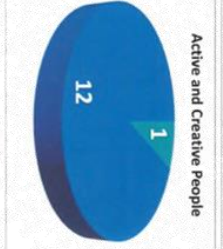
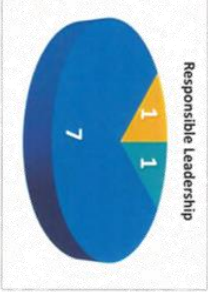
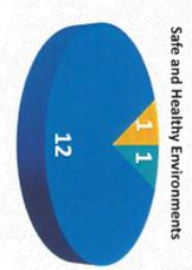
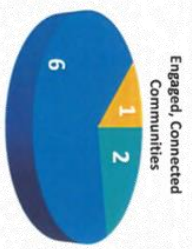
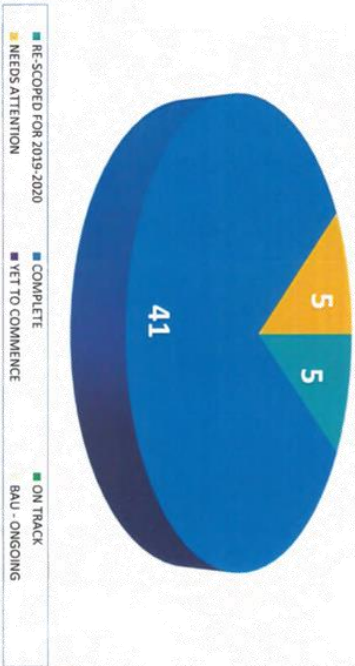
For the period April – June 2019



2018-2019 ANNUAL COUNCIL PLAN - END OF QUARTER 4 PRIORITY ACTIONS STATUS REPORT

Strategic Objective	RE-SCOPED FOR 2019-2020	COMPLETE	Status					TOTAL NO. OF ACTIONS
			ON TRACK	NEEDS ATTENTION	YET TO COMMENCE	BAU - ONGOING	BAU - ONGOING	
ENGAGED, CONNECTED COMMUNITIES A place where communities and ideas thrive, underpinned by trust, confidence and continuous learning.	2	6	0	1	0	0	9	
ACTIVE AND CREATIVE PEOPLE Active lifestyles and artistic expression are fostered through participation and innovation.	1	12	0	0	0	0	13	
SAFE AND HEALTHY ENVIRONMENTS Healthy and safe communities enjoy living in our historic Green Wedge environment.	1	12	0	1	0	0	14	
A PROSPEROUS ECONOMY A strong local economy that supports business growth, jobs and community wealth.	0	4	0	2	0	0	6	
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.	1	7	0	1	0	0	9	
OVERALL	5	41	0	5	0	0	51	

QTR 4 2018-2019 PRIORITY ACTION STATUS - by Strategic Objective



Note: Percentage delivery based on work outputs planned for 2018-2019 year only. Some council plan actions are being delivered over multiple years.

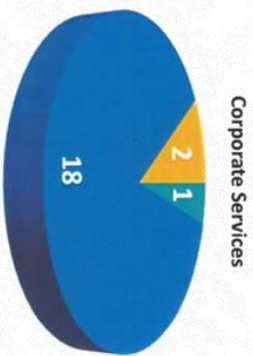
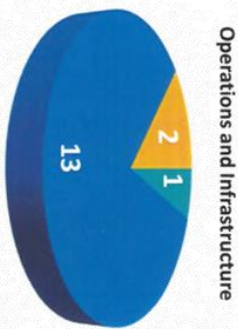
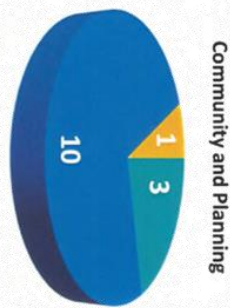
2018-2019 ANNUAL COUNCIL PLAN - END OF QUARTER 4 PRIORITY ACTION STATUS REPORT

Directorate	Status						TOTAL NO. OF ACTIONS
	RE-SCOPED FOR 2019-2020	COMPLETE	ON TRACK	NEEDS ATTENTION	YET TO COMMENCE	BAU - ONGOING	
Community and Planning	3	10	0	1	0	0	14
Operations and Infrastructure	1	13	0	2	0	0	16
Corporate Services	1	18	0	2	0	0	21
OVERALL	5	41	0	5	0	0	51

QUARTER 4, 2018-2019 PRIORITY ACTION STATUS (by Directorate)



RE-SCOPED FOR 2019-2020 COMPLETE ON TRACK NEEDS ATTENTION YET TO COMMENCE BAU - ONGOING



No.	Action	Responsibility	End of Year Commentary	End of Year Status
ENGAGED, CONNECTED COMMUNITIES				
1	Commence 2050 Shire Plan (building on the review of the Green Wedge Management Plan (GWMMP) & development of other key strategies)	Coordinator Strategic Projects	<p>This item was re-scoped in June 2019 following advice from the recent State Government announcement on reforms to the Local Government Act, 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 (which would occur in early 2021).</p> <p>Accordingly, options to progress the Shire Plan 2050 and address the requirements envisaged by the Local Government Bill 2019 were presented to Councilors at a briefing in June 2019. It was agreed to:</p> <ul style="list-style-type: none"> • Produce a research paper by December 2019 • Convert the research paper into a public discussion paper by April 2020 • The above preliminary work contributing towards the preparation of a Community Vision, which will be developed concurrently with the next Council Plan (as outlined in the Council Plan Annual Action Plan 2019-2020 adopted at the June 2019 Council Meeting). <p>The Nillumbik brand refresh has been developed and was endorsed at the May 2019 Council Meeting. The implementation and training plan commenced on 1 July 2019.</p>	RE-SCOPED FOR 2019-2020
2	Develop a Brand Style Guide supported by an implementation & training plan	Executive Manager Economic Development and Tourism	<p>The brand refresh will rationalise Council's communications and promotional material to ensure consistent messaging.</p>	COMPLETE
3	Scope a Lifelong Learning Plan with key stakeholders	Executive Manager Community Services	<p>The delivery of the program schedule at Living and Learning Nillumbik has continued, however the scoping of a Lifelong Learning Plan with key stakeholders has been on hold and will be undertaken with a new Coordinator for the Vocational Education and Training (VET) program having now been appointed. This action is now expected to be delivered as a key action in 2019-2020 financial year, as outlined in the Council Plan Annual Action Plan 2019-2020 adopted at the June 2019 Council meeting.</p>	RE-SCOPED FOR 2019-2020
4	Identify our women's networks & scope communication opportunities for them to partner	Executive Manager Community Services	<p>The Nillumbik Women's Network has been re-established by the community, and Council will continue to support the network. This year, Council has provided support in the form of identification of grant opportunities, promotional opportunities and the availability of a meeting space.</p> <p>The network plays an important role in strengthening the focus on social inclusion, building social capital and connection within communities.</p>	COMPLETE
5	Further embed community engagement into projects	Executive Manager Communications and Engagement	<p>With a key outcome being to keep the community informed about projects, as well as provide opportunities to share their thoughts and opinions through genuine engagement, project managers have worked closely with the Council's Communications team to seek advice and support in embedding community engagement in projects that Council is implementing.</p> <p>Project profiles that have been amplified due to increased collaboration include:</p> <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. <p>To further enhance community engagement within our projects, a structure that allows a centralised storage of community engagement data is being developed. Investigations have begun to identify the best digital options for classification and searchability of this data.</p> <p>Work undertaken across the quarter and the financial year has helped improve community trust through better communications and genuine engagement.</p>	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
6	Progress the development of an integrated community infrastructure plan	Manager Capital Works	Processes for both demand estimation and gap analysis have been researched and established. This is in addition to the development of the community infrastructure register last quarter, which details all Council and non-Council owned facilities available for wider community use. The register includes service provision, size and number of facilities, uses and hours of operation. Community Geographic Information System (CGIS) mapping of community infrastructure will commence once the appropriate resource to manage and implement the information has been appointed. Development of the register and plan will ensure that community infrastructure is provided in response to community needs.	MINOR ISSUES
7	Develop digital solutions to support social & community infrastructure, including a Smart Cities approach	Business Partnerships and Project Management Coordinator	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 for August 2019. Overall, the progress of the project is on track with allowances for lead times on public tender process.	COMPLETE
8	Continue to build relationships with the Wurrundjeri community & engage & develop a Reconciliation Action Plan	Executive Manager Community Services	Council continues to build relationships with the Wurrundjeri community. Recent discussions with the Wurrundjeri 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 Wurrundjeri Tribe Council to develop commitments and practices towards reconciliation through the implementation of the Municipal Health and Wellbeing Plan. Council continues to implement key actions of the Municipal Health and Wellbeing Plan, which strengthens the focus on social inclusion, building social capital and connection within communities, and enhances the health and wellbeing of the community. Key deliverables in 2018-2019 included: <ul style="list-style-type: none"> • Delivered Home Harvest Festival • Developed a Disability Action Plan which included extensive community consultation • Delivered the 16 Days of Activism 2018 Program • Developed Council's Gender Equity Policy Statement which was adopted by Council in July 2018 • Delivered 'Tea, Talk and Tech' - a paid employment program for youth to teach older people to use technology and stay connected • Delivered the Shires 'This Girl Can' campaign, a VicHealth initiative championing women to take fitness into their own hands • Developed the Ageing Well in Nillumbik Action Plan 2019-2022 which was adopted by Council in March 2019 • Supported the redevelopment of the Eltham North Adventure Playground, including community engagement. 	COMPLETE
9	Implement the adopted Health & Wellbeing Plan & deliver initiatives in partnership with the community	Executive Manager Community Services	The plan has recently been reviewed and changes made to reflect the priorities identified through community data analysis. A key focus for the forthcoming year is to revisit community partnerships and reinvigorate an external working group to support oversight of the delivery of the plan.	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
10	Commence review of the Open Space & Recreational Strategy	Manager Recreation and Leisure	Delivery of actions under the existing Recreation Strategy is continuing, with a review of the existing strategy yet to commence. This review will now take place in 2019-2020 as outlined in the Council Plan Annual Action Plan 2019-2020 adopted at the June 2019 Council Meeting.	RE-SCOPED FOR 2019-2020
11	Develop & implement an integrated strategy for managing open space, roadsides, waterways and parkland	Manager Environment	Contracts have been implemented for landscape maintenance, landscape renewal and sportsground maintenance. Inspections and works have been undertaken to ensure that the risks associated with trees in high use areas are mitigated. The Autumn landscape uplift projects have been completed or are underway, including the Shire Office surrounds in Greensborough; Diamond Creek Road; Station Street in Diamond Creek; Eltham Lower Park; various roundabouts in Eltham, Panton Hill and Hurstbridge; and Civic Drive playground ancillary works.	COMPLETE
12	Complete planning of Hurstbridge Open Space Precinct	Manager Recreation and Leisure	The Hurstbridge Open Space Precinct Plan was adopted by Council at the December 2018 Future Nillumbik Committee. The plan was developed following extensive community consultation, however implementation of the plan does not have a current budget allocation. A significant amount of external funding will need to be secured for the plan to be realised, and Council continues to advocate for this. The plan responds to the strong desire for the open space to be retained, with minimal improvements to current facilities where possible and very little additional built form to be considered for this precinct.	COMPLETE
13	Prepare a program of infrastructure priorities, identify and advocate for funding partnerships	Manager Recreation and Leisure	Council is advocating with government to secure funding partnerships for projects like the Diamond Creek Trail. Priorities are currently being compiled to inform applications to the next round of the State Government's Growing Suburbs Fund. The provision of such infrastructure encourages people of all ages to participate in a variety of active and passive opportunities.	COMPLETE
14	Continue to advocate and lobby funding for broader trails network & progress the Diamond Creek Trail (DCT) project	Manager Recreation and Leisure	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. The infrastructure completed through Council budget includes: <ul style="list-style-type: none"> Sealing the final section of the Eltham Copper Butterfly trail through Council's Local Trail Links program. Widening sections of the existing Diamond Creek Trail out to 3 metres to improve user experience and safety. Council submitted funding applications through Growing Suburbs Fund and Building Better Regions to deliver the Diamond Creek Trail, however they were unsuccessful. The pre-election commitment from Labour MP Kate Thwaites for \$4m towards the Diamond Creek Trail project was also not available due to the outcome of the Federal election.	COMPLETE
15	Investigate the potential uses for the former Council landfill sites at Plenty & Kangaroo Ground	Director Operations and Infrastructure	VicRoads funding is the only external funding towards the project at this stage. Funding agreement from VicRoads to enable procurement and final design process to commence is expected in early August 2019. Council has initiated a feasibility study to construct a solar farm on the former landfills at Kangaroo Ground and Plenty. Capping works at the Kangaroo Ground landfill will be commencing in the following months and works are estimated to be completed in the following years. Plenty landfill is being considered as the site for a solar farm and investment options are being assessed. Council officers will present the investment options to Council for their consideration and decision in August 2019. Currently, there is no budget allocated for the design and construction of the solar farm, and advocacy for funding with other levels of Government continues.	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
16	Undertake feasibility for the development of a public art gallery of regional significance	Executive Manager Economic Development and Tourism	The feasibility study of a regional art gallery is complete and was reported to the June 2019 Council meeting. The study is now open for community feedback via the Participate Nillumbik website, with community comments to be formally reported back to the August 2019 Council Meeting.	COMPLETE
17	Review Council's community grants programs in order to achieve equity in the distribution of public monies	Executive Manager Economic Development and Tourism	A Smarty 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. The software will allow for a grant application schedule to be developed, whereby annual visibility will enable forward planning of the grants program.	COMPLETE
18	Review the Artist in Residence Program	Arts and Cultural Development Coordinator	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.	COMPLETE
19	Review the Art Acquisition Policy	Arts and Cultural Development Coordinator	In order to continue to deliver the artist residency program from Laughing Waters, a heritage review has been completed, a land use planning assessment made and a detailed architectural report undertaken. Council continues to work with Parks Victoria, Creative Victoria and the Department of Environment, Land, Water & Planning (DELWP) to secure a future for this important local asset.	COMPLETE
20	Develop a centralised program of events & festivals	Executive Manager Economic Development and Tourism	The Art Collection Policy review is complete and this has been reported to the June 2019 Council Meeting. Community feedback has been sought via the Participate Nillumbik website. Community comments and feedback will be formally reported back to the August 2019 Council meeting for adoption.	COMPLETE
21	Implement the adopted Arts & Culture Plan	Arts and Cultural Development Coordinator	An audit of Council supported festivals and events funding is complete and a centralised program for funding of festivals and events presented. The first step in moving toward one centralised program was the purchase and rollout of the Smarty Grants online portal, which was trialled in May and June 2019. The new competitive open program and criteria will be trialled in the first quarter of 2019-2020 and include broader community consultation in regard to future support for festivals and events in the Shire.	COMPLETE
22	Recognise performing arts through facilitation and promotion	Arts and Cultural Development Coordinator	Implementation of the first full year of the Arts and Cultural Plan has seen over 151,000 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 (the three outcomes correspond to the three cultural plan goals). An annual review is being prepared and will be presented to Council in August 2019.	COMPLETE
	Performing arts have been recognised through a dedicated performing arts grants stream, with strong uptake from community, and over 13,600 participants from performers, stage crew, script writers and audiences. This includes music (from world music to contemporary music) to theatre (from Shakespeare and opera) to puppetry and pop-culture.			COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
SAFE AND HEALTHY ENVIRONMENTS				
23	Progress the review of the Green Wedge Management Plan (GWMP)	Coordinator Strategic Projects	The draft Green Wedge Management Plan 2019 (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 will run for 6 weeks. Council will 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 October 2019 Council Meeting. The draft GWMP was originally scheduled for adoption in March 2019, however at that meeting, Council endorsed a revised timeline to prepare the draft GWMP, allowing for feedback on the draft Bushfire Mitigation Strategy to be received prior to finalising the draft GWMP. The development of the plan has involved significant community engagement, including an initial phase of community engagement in mid-2018 which resulted in the receipt of 1,000 contributions, nominations from 176 people to be part of a Community Panel (with 44 panel members recruited) which sat for 6 days between August and November and were tasked with recommending to Council a vision, objectives and key actions. Outputs from the Community Vision, in addition to the earlier community engagement, helped inform the development of the draft plan.	COMPLETE
24	Develop a Housing Strategy, which includes options for retirement living & intentional housing outcomes	Acting Strategic Planning Lead	At the November 2018 Council Meeting, an expanded project scope for the delivery of a Housing Strategy was endorsed, which included revised timeframes including 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 Housing Strategy, which will be subject to further community consultation prior to its adoption. Once adopted, the Housing Strategy will enhance the health and wellbeing of the Nillumbik community.	RE-SCOPED FOR 2019-2020
25	Implement bushfire mitigation, awareness and resilience actions from the Fire Mitigation Strategy	Executive Manager Governance and Legal Services	At the April 2019 Council Meeting, the draft Bushfire Mitigation Strategy 2019-2021 was endorsed for further community consultation. This has resulted in a delay to the June 2019 deadline. The consultation has concluded and submitters were provided an opportunity to address the Future Nillumbik Committee in June 2019. The final strategy was adopted at the July 2019 Council Meeting. Actions from the Bushfire Mitigation Strategy allows Council to meet its responsibilities and the community's expectations for emergency management. As the strategy has developed, Council's Municipal Fire Management Planning Committee have been engaged in the development of the draft plan, building awareness and planning future actions along the way.	COMPLETE
26	Update all emergency management plans and continue to facilitate emergency management planning	Executive Manager Governance and Legal Services	Officers have held two Municipal Emergency Management Planning Committee (MEMPC) and Municipal Fire Management Planning Committee (MFMP) meetings during the fourth quarter. Review of the MEMPC is underway in line with legislative requirements and is on track to be adopted within the timeframe set by the State Emergency Service (SES). The MFMP is also under review and on track to be adopted by the end of November in line with the timeline adopted by the MFMP. Training has been conducted for new staff, and existing staff have been provided opportunities to undertake further training for professional development.	COMPLETE
27	Report and measure on the progress of the Climate Change Action Plan	Manager Environment	Reporting on progress of the Climate Change Action Plan 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 was presented to Council in June 2019 and will inform decision-making on investment in renewable energy projects. During the fourth quarter, a feasibility study for solar panels on the Eltham Leisure Centre to provide renewable energy for Council's largest stationary energy consumer was completed. Three low emission vehicles have been purchased as pool cars which reduces Council's fleet emissions.	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
28	Review the Invasive Species Action Plan	Manager Environment	<p>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 include 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.</p> <p>The Sugarloaf Link project designed to control deer, fox and blackberry is underway with a contract to engage deer control specialists completed and eligible landholders have registered to take part in the program.</p> <p>The review of the Invasive Species Action Plan will commence in 2019-2020.</p> <p>The Operations Centre Integrated Water Management Plan 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.</p> <p>Water bills are monitored and work with Yarra Valley Water is ongoing to ensure that billing for irrigation use is accurate, that metering is appropriate for water use, and that refunds are provided where overcharging occurs.</p>	COMPLETE
29	Implement the Integrated Water Management Plan	Manager Environment	<p>The grant funded Water Sensitive Urban Design (WSUD) renewal project is delayed and expected to be implemented in the first quarter of 2019-2020. This project will implement the findings of a review of water sensitive urban design drainage assets to improve the function of wetlands and other WSUD features such as the wetlands at Alistair Knox Park and Barak Bushlands in Eltham, and the wetlands at Challenger Street in Diamond Creek.</p> <p>Innovation and design excellence continues to be considered in all of our building tenders, within budget constraints.</p>	COMPLETE
30	Promote & implement design excellence & innovation in architecture in our activity centres and in public buildings	Manager Infrastructure	<p>Innovation and design excellence continues to be considered in all of our building tenders, within budget constraints.</p>	COMPLETE
31	Implement the adopted Domestic Animal Management Plan (DAMP) year actions	Manager Community Safety and Amenity	<p>The Domestic Animal Management Plan (DAMP) promotes responsible pet ownership in the community. Reporting on year 2 of the DAMP is due to be reported to Council in October 2019. Highlights from the year have included:</p> <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 rehoming abandoned dogs Introduced a schools outreach program to educate primary school aged children on animal safety and road/traffic safety Modernised the process for investigating barking dog, cat trapping and other animal nuisance complaints which has to date achieved a 100% success rate in resolving issues. 	COMPLETE
32	Review & update the Domestic Wastewater Management Plan & continue to advocate to Yarra Valley Water (YVW)	Manager Community Safety and Amenity	<p>The Domestic Wastewater Management Plan 2019 was adopted at the June 2019 Council meeting, following community engagement and consultation. This environmental policy will help protect biodiversity and conserve natural resources.</p> <p>On the advocacy front, this quarter Council has been successful in its advocacy to Yarra Valley Water and 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.</p>	COMPLETE
33	Review waste management programs & present an options paper to improve community outcomes	Manager Environment	<p>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.</p> <p>The Transfer Station Review has been rescheduled to enable a community engagement process prior to presenting options to Council. Options for the function of Council's Recycling and Recovery Centre will be presented in the first quarter of 2019-2020.</p>	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
34	Establish a graffiti removal policy to inform future service levels	Manager Community Safety and Amenity	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. This is currently being developed, however the completion of this work 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.	MINOR ISSUES
35	Advocate to VicRoads & State Government for traffic congestion and safety improvements	Manager Infrastructure	Council actively advocates for improved public transport, better traffic management and reduced road congestion. 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. VicRoads, Department of Transport (DoT) and Public Transport Victoria (PTV) are merging, commencing July 2019, and officers are determining new contacts. Monthly meetings with VicRoads' Traffic and Transport team is now established, and is now 'business as usual'.	COMPLETE
36	Promote & advocate for improvements to pedestrian, bicycle & horse riding connectivity & access (including safety)	Manager Recreation and Leisure	Council has delivered approximately \$300,000 of trail improvement works in 2018-2019. This is inclusive of resurfacing and upgrades to the Diamond Creek Trail and a new horse trail connection in Rodger Road, Pantom Hill. Further, Major Road Projects Victoria (MRPV) have delivered a dedicated shared trail on Yan Yean Road as part of the Stage 1 duplication. Council officers have contributed to the development of VicRoads' Strategic Cycling Corridor, and advocated for (new and ongoing) a hierarchical raise of existing cycling corridors in Nillumbik to set the scene for future funding opportunities.	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
A PROSPEROUS ECONOMY				
37	Adopt a new Nillumbik Economic Development Strategy & create a set of indicators to measure success	Executive Manager Economic Development and Tourism	The new Economic Development Strategy is currently being prepared for consultation and engagement with the community from September 2019. The Economic Development Strategy will encourage investment across the whole Shire, and aims to increase the health of our economy by increasing local employment.	MINOR ISSUES
38	Undertake a feasibility study/review of rural activity/industry in the Shire to identify opportunities for growth	Executive Manager Economic Development and Tourism	Rural economic development priorities are identified in the draft Green Wedge Management Plan, which is on public exhibition from July 2019. The Economic Development Strategy will reflect the final Green Wedge Management Plan once endorsed and will identify opportunities for the support and development of specific industries and employment opportunities in the rural and activity centres in Nillumbik.	MINOR ISSUES
39	Develop a Business Support & Attraction Plan underpinning Melbourne's North Investment Strategy	Executive Manager Economic Development and Tourism	The Northlink Investment Attraction Plan is complete and the Yarra Ranges Tourism Strategic Plan includes Nillumbik Shire Council's investment and advocacy priorities. This regional partnership approach to economic development will ensure priorities for Nillumbik are translated in to State and Federal government policies and resources allocated accordingly.	COMPLETE
40	Implement a revised and refreshed Artisan Hills Marketing Plan	Executive Manager Economic Development and Tourism	Nillumbik's integration with Yarra Ranges Tourism and transition to Visit Nillumbik is complete. A detailed annual review will be presented to Council in July 2019.	COMPLETE
41	Progress the urban renewal of Eltham Precincts 3 and 4, including the taking to market the 'Civic Showcase' project	Senior Project Manager	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. Whilst officers undertake the preparation of this work, there are a number of opportunities that may present themselves for consideration, including: <ul style="list-style-type: none"> Engaging with the State Government in relation to the potential for the future Eltham Community Hospital development Using the vacant land at 895 Main Road Eltham for a regional art gallery concept (noting that the land has been identified in a feasibility study for a regional art gallery) Improving the railway station infrastructure and precinct, particularly in light of the State Government's proposal to duplicate the railway line, and Possibly returning to a market testing process in the future, when market conditions improve. 	COMPLETE
42	Progress township planning (Eltham & Diamond Creek structure plans, new Hurstbridge plan, & options for Yarrambat)	Acting Strategic Planning Lead	Eltham and Diamond Creek Land use, economic, housing, community infrastructure and transport research and analysis has been completed. The 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. A key delivery action for 2019-2020 will be the adoption of the new Activity Centre Structure Plans for Eltham and Diamond Creek. Yarrambat 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 Township Streetscape Plan. Council is nearing the completion of a draft concept plan, and it captures opportunities for improved pedestrian and vehicle access, car parking, drainage improvements and beautification. Council will consult with the community, before reviewing feedback and finalising the concept. It is anticipated that consultation will occur later this calendar year. Hurstbridge At a Councilor's workshop in March 2019, it was agreed not to pursue a new Hurstbridge Township Plan at this point in time given the importance of delivering other Council Plan priorities, and the fact that the streetscape improvement works along Heidelberg-Kinglake Road have been completed and are receiving positive community response.	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
RESPONSIBLE LEADERSHIP				
43	Regularly update & implement an overarching advocacy strategy & pre-budget submission to Government	Executive Manager Communications and Engagement	This action was completed in the third quarter. 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 Federal election. Councillors agreed not to proceed with State Government pre-budget submission at November briefing given the short period of time between the November State Election and State Budget.	COMPLETE
44	Review & implement Council's Asset Management Strategy & develop a better system to support delivery	Manager Infrastructure	The key outcome for this project is to plan for the community's future service and infrastructure needs. The project has been identified as part of the organisation's digital transformation strategy and is considered critical in capturing the data and providing visibility to customers regarding Council's asset portfolio. The approach has been taken to incorporate the project as part of the boarder transformation strategy to ensure integration across systems and data flow from originator through to customer. The change in approach has impacted the timing of awarding the contract to a software provider which is now scheduled in early 2020.	MINOR ISSUES
45	Implement land sales decisions, including rezoning or introduce protections for parcels to be retained	Manager Assets and Property	This action involves actioning Council's land sales decisions from 2017-2018, including selling 3 land parcels, and introducing planning protections for parcels to be retained. Actions within Council's control have been completed. Contracts of Sale have been signed and deposits received for 18a Citrodora Ct, 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 Van Yearn Road, Plenty has been delayed due to VicRoads' Van Yearn 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 Rapijan 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. Planning Scheme Amendment C117 seeks to rezone 15 land parcels of Council-owned land to the Public Park and Recreation Zone. The Minister for Planning has recently authorised Council to commence public exhibition of this planning scheme amendment which is a significant milestone in progressing this amendment.	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
46	Develop & implement a Customer Experience Strategy , define service standards & deliver training	Customer Experience Lead	<p>The Nilumbik Customer First Strategy was endorsed at the March 2019 Council Meeting. The last 12 months has seen significant resourcing investment in Customer Experience to understand, design and ultimately implement the Nilumbik Customer First Strategy.</p> <p>Key activities commenced, including:</p> <ul style="list-style-type: none"> • Customer service training across the entire organisation was completed in November 2018 • Our customer experience benchmarking survey was established to check the progress of our strategy implementation and give our customers a chance to give feedback on our performance • Conducting our first ever internal customer experience survey, with 250 staff having participated • Introduced Council's first Quality Benchmarking System for customer experience • Website user feedback was enabled on the Council's website, giving users an opportunity to provide feedback about our website • Draft Complaint Management Policy and process framework completed, with piloting commencing in Planning Services and the Operations Centre. <p>The outcome of the strategy and implementation of the recommendations is to provide seamless service delivery, and an open and responsive approach to our customers.</p>	COMPLETE
47	Ensure that residential rate increases are at least 0.25% below the legislated rate cap in 2019/2020	Manager Finance	<p>The 2019-2020 Annual Budget was adopted by Council in May 2019. The 2019-2020 Budget includes a 2.25% rate increase which is 0.25 per cent below the rate cap and reflects the Council Plan commitment to maintain reduced rates in Nilumbik relative to other Victorian councils.</p>	COMPLETE
48	Undertake nominated strategic service reviews & commence / progress implementation plans	Executive Manager Business Transformation and Performance	<p>A number of strategic reviews have been undertaken to ensure that the provision of services remains relevant and responsive to community needs.</p> <ul style="list-style-type: none"> • Positive Ageing service review was endorsed at the September 2018 Council Meeting. The review developed a transition plan of phasing out Council's service delivery (in response to the Federal Government's aged care reforms), whilst still providing ongoing community support through an information, advocacy and navigation service. • Living and Learning Nilumbik Service review was endorsed by the Future Nilumbik Committee in September 2018. Whilst the service is delivering great community outcomes, the review identified that 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. • 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. • Youth and Community Partnerships service review has been completed and a report will be presented to Council in August 2019 to provide the outcome of this review, along with recommendations for the future service priorities. • Edendale Community Environment Farm service review aims to assess the current operations of the facility, and determine if it is delivering on its stated objectives and identify opportunities for improvement. A report will be presented to a Council meeting in the first quarter of 2019-2020 to outline the outcomes of this service review. 	COMPLETE
49	Continue to implement key Organisational Culture & Capability Strategy (OCCS) programs	Human Resources Lead	<p>The program evolved and contributed to identifying the key needs of the organisation's workforce. The new staff values continue to be embedded across the organisation. The 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 workforce. The final report is expected to be available in August 2019 and this will be used to scope our future culture and engagement strategy.</p>	COMPLETE

No.	Action	Responsibility	End of Year Commentary	End of Year Status
50	Implement the KPI framework in order to better measure performance outcomes & tailor staff development	Executive Manager Business Transformation and Performance	<p>The Key Result Area (KRA) framework (using a balanced scorecard methodology) continues to be embedded through the use of business planning templates and individual performance dashboards.</p> <p>During the fourth quarter, research of online performance and Human Resource Information Systems (HRIS) was undertaken and the Aurion performance and development system (current payroll system) has been commissioned as the future repository of employee performance plans and reviews. Scoping and build of this new system will commence in September 2019. Once the performance system is in place, scoping of a succession and talent management framework will commence.</p>	COMPLETE
51	Implementation of the first phase of Technology Strategy	Business Partnerships and Project Management Coordinator	<p>A holistic approach has been taken to technology which now captures a full business digital transformation for Council. The approach extends beyond Information Technology with the ultimate goal of enhancing the customer's experience. The rescope has commenced with the identification of key projects focusing on system upgrades across the business. This will ensure that Council provides seamless service delivery and an open and responsive approach to our customers.</p>	RE-SCOPED FOR 2019-2020

12. Officers' reports

OCM.120/19 IT Reserve

Distribution: Public

Manager: Vince Lombardi, Chief Financial Officer

Author: Eddie Cheng, Head of IT Operations

Summary

This report seeks Council's approval to access the IT reserve funds.

Council is embarking on a digital business transformation with the focus of improving and modernising the platforms through which services are delivered and information is held.

As part of the digital business transformation project, investment in IT systems is required for council to be able to meet community needs into the future. Access to the funds in the IT reserve will enable the commencement of two projects towards the overall digital business transformation.

Recommendation

That Council:

1. Authorises the release of the funds (\$987,000) held in the IT reserve for the commencement of digital business transformation projects.
2. Notes subsequent authorisation for proposed expenditure on projects will be sought from Council reflective of the procurement policy and sub delegation of authority.

Attachments

Nil

Background

1. An initial component of the digital business transformation project was to conduct a strategic business health check. The specific focus of the health check was to undertake a review of the current IT landscape.
2. The health check found that the IT landscape was not up-to-date and required upgrades to enable better service provision and access to council data.
3. An outcome from the health check was a list of critical initiatives which identified projects across council to enable a digital business transformation to commence.

Policy context

4. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Ensure seamless service delivery and an open responsive approach to our customers.

Budget implications

5. This is a standard reporting item to Council, the associated costs for which are included in the current budget.

12. Officers' reports

OCM.120/19 IT Reserve

Issues/options

6. To effectively commence the digital business transformation of council it was critical to gain an understanding of the current IT landscape.
7. An analysis was undertaken to benchmark Nillumbik's IT capability against industry best practices and technology trends.
8. The primary aim was to identify IT systems which were outdated and required investment to uplift them to current day standards.
9. Across council several major operating system were identified as being outdated and difficult to use. Ultimately this currently impacts access to data, responsiveness to all queries and current service experience.
10. Council has an obligation to comply with its legislative and administrative requirements for recordkeeping, including those for the provision of privacy and evidence. A form of data protection is through an upgrade of systems.
11. Some of the current systems being used at Council are no longer supported and as a result cannot be upgraded any further. The state of these systems is increasing councils risk exposure and potentially impacting the ability to protect against cyberattacks.
12. In identifying the projects consideration was given to the strategic, economic and operational implications to ensure the projects are achievable, practical and aligned with Council's broader strategic objectives.
13. A list of IT projects has been identified across Council which are in need of replacement and will form an integral part of the digital business transformation.
14. The table below details the projects currently identified through the digital business transformation project. High level description is given in the table regarding the customer experience improvement expected to be realised through each project and approximate cost estimate.

Project	Customer Experience Improvement	Estimated cost
Electronic Document and Records Management system	<ul style="list-style-type: none"> - Access to data on demand - Unified digital filing platform - Productivity saving on administrative tasks 	\$750,000*
Consolidate and uplift GIS	<ul style="list-style-type: none"> - Real-time single source data - Reduces double handling - Improved geographic asset intelligence 	\$250,000*

12. Officers' reports

OCM.120/19 IT Reserve

Project	Customer Experience Improvement	Estimated cost
Asset Management system	<ul style="list-style-type: none"> - Access to service requests in the field - Inform strategic asset management decisions - Single source reporting - Productivity saving on administrative tasks 	\$1,000,000
Website transformation	<ul style="list-style-type: none"> - New forms of engagement with our community and customers - Self-service portal 	\$750,000
Customer Relationship Management (CRM)	<ul style="list-style-type: none"> - Clear visibility of customer information and interactions - Highly impacts customer experience - Better real time connection to community 	\$150,000
Project Management system	<ul style="list-style-type: none"> - Improve ability to deliver projects - Effective tracking and reporting 	\$150,000
Finance system	<ul style="list-style-type: none"> - Simplifying finance processes - Improve staff productivity 	\$1,000,000
Integration layer	<ul style="list-style-type: none"> - System connections - Reduction in system maintenance - Provides a single view of the customer 	\$3,000,000
Centralised business intelligence and reporting tools	<ul style="list-style-type: none"> - Optimised business intelligence and analytics - Removal of data manipulation 	\$1,000,000
Total		\$8,050,000

*proposed to be funded through the IT reserve

15. The first two projects listed in the table (Electronic Document and Records Management system and Consolidate and uplift GIS) are proposed to be funded by the IT reserve.
16. These two projects have been identified as high priority and critical to Council.

Conclusion

17. To be able to meet community expectations of Council, improving data records management and security as well as connectivity with the community, significant investment in IT systems is required.

12. Officers' reports

OCM.120/19 IT Reserve

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12. Officers' reports

OCM.121/19 Assembly of Councillors

Distribution: Public

Manager: Blaga Naumoski, Executive Manager Governance and Legal Services

Author: Alena Spry, Governance Officer

Summary

In accordance with section 80A(2) of the *Local Government Act 1989*, Council is required to report as soon as practicable to an Ordinary Council Meeting a record of any assemblies of Councillors held.

This report lists assemblies of Councillors forms that have been submitted since the matter was last reported to Council on 30 July 2019.

An Assembly of Councillors record was kept for:

- Councillor Briefing – 23 July 2019;
- Arts Advisory Committee – 29 July 2019;
- Pre-meeting to Ordinary Council Meeting – 30 July 2019;
- Environment and Sustainability Advisory Committee – 31 July 2019;
- Councillor Briefing – 6 August 2019;
- Economic Development Advisory Committee – 8 August 2019; and
- Councillor Briefing and Pre-meeting to Future Nillumbik Committee – 13 August 2019.

Recommendation

That Council, in accordance with section 80A(2) of the *Local Government Act 1989*, receives the records of the Assemblies of Councillors held on 23 July 2019, 29 July 2019, 30 July 2019, 31 July 2019, 6 August 2019, 8 August 2019 and 13 August 2019 (**Attachment 1**).

Attachments

1. Assembly of Councillors reported 27 August 2019

Background

1. The *Local Government Act 1989* (the Act) requires records of assemblies of Councillors be reported to an Ordinary Council Meeting and recorded in the minutes of that meeting.

Policy context

2. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Ensure that Council meets its legal responsibilities and manages its risks.

Budget implications

3. This is a routine reporting item, the resources for which are contained in Council's current operating budget.

12. Officers' reports

OCM.121/19 Assembly of Councillors

Consultation/communication

4. None required.

Issues/options

5. An assembly of Councillors is defined in section 76AA of the Act. It is a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or the exercise of delegated authority and which is either of the following:
- A planned or scheduled meeting that includes at least half the Councillors and at least one Council officer. These assemblies do not include meetings of Councillors and Council staff that are not planned or scheduled.
 - A meeting of an advisory committee where at least one Councillor is present. An advisory committee is any committee established by the Council, other than a special committee, that provides advice to the Council or to a special committee or to a member of Council staff who has been delegated a power or duty or function of the Council.
6. A record must be kept of an assembly of Councillors and include the names of all Councillors and Council staff attending, the matters considered, disclosures of conflict of interest and whether a Councillor left the meeting after making a disclosure.
7. In accordance with section 80A(2) of the Act, Council is required to report as soon as practicable to an Ordinary Council Meeting a record of any assemblies of Councillors held.
8. The recommendation contains the list of assemblies of Councillor forms that have been submitted since the matter was last reported to Council on 30 July 2019.

Conclusion

9. It is recommended that Council receives the records of recent assemblies of Councillors as contained in this report, fulfilling section 80A(2) of the *Local Government Act 1989*.

Assembly of Councillors

The Assembly commenced at 5:05pm

ASSEMBLY DETAILS:	Title:	Councillor Briefing
	Date:	Tuesday 23 July 2019
	Location:	Council Chamber, Civic Centre
PRESENT:	Councillors:	Cr Karen Egan, Cr Peter Clarke, Cr Bruce Ranken, Cr John Dumaresq, Cr Peter Perkins, Cr Jane Ashton, Cr Grant Brooker
	Council Staff:	Carl Cowie, Hjalmar Philipp, Vince Lombardi, Blaga Naumoski, Mitch Grayson, Jeremy Livingston, Kylie Lethbridge, Corrienne Nichols, Danielle Phyland, Mehran Khademollah, Renae Ahern, Lisa Pittle, Kirsten Reedy
	Other:	Jane – CEO Yarra Plenty Regional Library
APOLOGIES:		

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Yarra Ranges Tourism Partnership Report	No disclosures were made
2	Bushfire Affected Properties	No disclosures were made
3	Yarra Plenty Regional Library Proposed Development	No disclosures were made
4	Preschool Central Enrolments	No disclosures were made
5	CONFIDENTIAL: Sugarloaf Link Deer Control	No disclosures were made
6	CONFIDENTIAL: Edendale Service Review Update	No disclosures were made

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
7	Laughing Waters	No disclosures were made
8	SKM discussion	No disclosures were made

The Assembly concluded at 7:27pm

RECORD COMPLETED BY:	Officer Name: Blaga Naumoski Officer Title: Executive Manager Governance and Legal Services
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Assembly of Councillors

The Assembly commenced at 7:00pm

ASSEMBLY DETAILS:	Title:	Arts Advisory Committee
	Date:	Monday 29 July 2019
	Location:	Manna Gum Rooms 1 & 2, Civic Centre
PRESENT:	Councillors:	Cr Karen Egan
	Council Staff:	Sarah Hammond, Grace Longato, Clare Leporati
	Other:	Arts Advisory Committee members – Matt Blackwood, Ute Leiner, Brian Gilkes, Gillian Essex, Dennis Coard
APOLOGIES:		Cr Jane Ashton, Kylie Lethbridge, Blaise van Hecke, Eugene Howard

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Arts and Cultural Plan Implementation Updates: <ul style="list-style-type: none"> • Eltham Library Community Program and Gallery Gigs • ELCG Applications Assessment • Annual Review Arts and Cultural Plan, Year One 	No disclosures were made
2	Council Reports: <ul style="list-style-type: none"> • Art Collection Policy, Public Art Policy, Regional Gallery Feasibility Study – consultation results • Submissions Future Nillumbik Committee 13 August 2019 	No disclosures were made

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
3	Digital Agora: <ul style="list-style-type: none"> • Project update • AAC member roles and volunteering 	No disclosures were made
4	Nillumbik Prize for Contemporary Writing 2020: <ul style="list-style-type: none"> • Program format • Judges and judging process 	No disclosures were made
5	Collection Acquisitions: <ul style="list-style-type: none"> • Acquisition opportunities • Major collection show 2020 	No disclosures were made
6	Other Business: <ul style="list-style-type: none"> • Baldessin Press Exhibition – Montsalvat 	No disclosures were made

The Assembly concluded at 8:39pm

RECORD COMPLETED BY:	Officer Name:	Sarah Hammond
	Officer Title:	Acting Coordinator Arts and Cultural Development

Assembly of Councillors

The Assembly commenced at 5:05pm

ASSEMBLY DETAILS:	Title:	Pre-meeting to Ordinary Council Meeting
	Date:	Tuesday 30 July 2019
	Location:	Council Chamber, Civic Centre
PRESENT:	Councillors:	Cr Karen Egan, Cr Peter Clarke, Cr Bruce Ranken, Cr John Dumaresq, Cr Peter Perkins, Cr Jane Ashton, Cr Grant Brooker
	Council Staff:	Carl Cowie, Hjalmar Philipp, Vince Lombardi, Blaga Naumoski, Jeremy Livingston, Kylie Lethbridge, Corrienne Nichols, Kelly Raeburn, Melika Sukunda
	Other:	Craig Lapsley
APOLOGIES:		

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Pre-meeting to Ordinary Council Meeting	No disclosures were made

The Assembly concluded at 6:10pm

RECORD COMPLETED BY:	Officer Name:	Blaga Naumoski
	Officer Title:	Executive Manager Governance and Legal Services



Assembly of Councillors

The Assembly commenced at 7:00pm

ASSEMBLY DETAILS:	Title:	Environment and Sustainability Advisory Committee
	Date:	Wednesday 31 July 2019t
	Location:	Council Chamber, Civic Centre
PRESENT:	Councillors:	Cr Grant Brooker
	Council Staff:	Lisa Pittle, Kirsten Reedy
	Other:	Environment and Sustainability Advisory Committee members
APOLOGIES:		Cr Jane Ashton, John Brenan

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Green Wedge Management Plan – discussion on draft ESAC response to the draft GWMP and process to finalise ESAC’s submission.	No disclosures were made
2	Change to ESAC Terms of Reference was discussed, particularly wording of objectives.	No disclosures were made
3	ESAC committee renewal process	No disclosures were made
4	Nillumbik environment programs – Spring Outdoors, Gardens for Wildlife, Caring for Our Local Environment grants	No disclosures were made
5	Department of Environment, Land, Water, and Planning tree canopy mapping	No disclosures were made
6	Wildlife Victoria linked to Snap, Send Solve to record injured and dead wildlife.	No disclosures were made



MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
7	Waste management – SKM closure and E-waste to landfill ban	No disclosures were made
8	Update on progress of the Small Lots Review	No disclosures were made

The Assembly concluded at 9:30pm

RECORD COMPLETED BY:	Officer Name:	Lisa Pittle
	Officer Title:	Manager Environment

Assembly of Councillors

The Assembly commenced at 5:07pm

ASSEMBLY DETAILS:	Title:	Councillor Briefing
	Date:	Tuesday 6 August 2019
	Location:	Council Chamber, Civic Centre
PRESENT:	Councillors:	Cr Karen Egan, Cr Peter Clarke, Cr Bruce Ranken, Cr John Dumaresq, Cr Peter Perkins, Cr Jane Ashton, Cr Grant Brooker
	Council Staff:	Carl Cowie, Hjalmar Philipp, Vince Lombardi, Blaga Naumoski, Jeremy Livingston, Corrienne Nichols, Kelly Reaburn, Kylie Lethbridge, Mitch Grayson, Katie Camilleri, Rebecca Burton, Joseph Emmanuel, Heath Gillett
	Other:	
APOLOGIES:		

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Tech, Tea and Tales	No disclosures were made
2	Advocacy Priorities	No disclosures were made
3	Motions to the Municipal Association of Victoria State Council Meeting	Blaga Naumoski and Mitch Grayson left at the conclusion of this item.
4	Service Review Report Youth and Community Partnerships	No disclosures were made
5	Eltham Traders Parking Permit Review	No disclosures were made
6	Local Food Connect Feasibility Study Proposal	No disclosures were made

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
7	North Eltham Wanderers Cricket Club Loan Guarantee Request	No disclosures were made
8	Eltham Redbacks Football Club Loan Guarantee Request	No disclosures were made
9	Fitzsimmons Lane Eltham update	No disclosures were made
10	CEO update	Cr Jane Ashton left the briefing during this item.

The Assembly concluded at 10:26pm

RECORD COMPLETED BY:	Officer Name:	Vince Lombardi
	Officer Title:	Chief Financial Officer

Assembly of Councillors

The Assembly commenced at 4:38pm

ASSEMBLY DETAILS:	Title:	Economic Development Advisory Committee
	Date:	Thursday 8 August 2019
	Location:	Council Chamber, Civic Centre
PRESENT:	Councillors:	Cr Karen Egan
	Council Staff:	Danielle Phyland, Nichole Johnson, Yasmin Green
	Other:	Representative Nillumbik Tourism and Business x 2, Representative Hurstbridge Traders Association, Representative Eltham Chamber of Commerce, Representative Diamond Creek, business community representatives
APOLOGIES:		Cr Bruce Ranken, Cr John Dumaresq

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Green Wedge Management Plan update and discussion	No disclosures were made
2	Economic Development Strategy update	No disclosures were made
3	Yarra Ranges Tourism update	No disclosures were made
4	Regional Tourism Review	No disclosures were made
5	Update on activity centre reviews	No disclosures were made
6	Regional Gallery Feasibility update	No disclosures were made

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
7	EDAC vacancies and meeting schedule	No disclosures were made

The Assembly concluded at 6:23pm

RECORD COMPLETED BY:	Officer Name: Danielle Phyland Officer Title: Coordinator Economic Development and Tourism
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Assembly of Councillors

The Assembly commenced at 5:07pm

ASSEMBLY DETAILS:	Title:	Councillor Briefing and Pre-meeting to Future Nillumbik Committee
	Date:	Tuesday 13 August 2019
	Location:	Council Chamber, Civic Centre
PRESENT:	Councillors:	Cr Karen Egan, Cr Peter Clarke, Cr Bruce Ranken, Cr John Dumaresq, Cr Peter Perkins, Cr Jane Ashton, Cr Grant Brooker
	Council Staff:	Carl Cowie, Hjalmar Philipp, Vince Lombardi, Blaga Naumoski, Jeremy Livingston, Mitch Grayson, Danielle Phyland, Heath Gillett, Grace Longato, Clare Leporati, Sarah Hammond, Paul Fyffe
	Other:	
APOLOGIES:		

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Business Digital Transformation	No disclosures were made
2	Pre-meeting to Future Nillumbik Committee	No disclosures were made

The Assembly concluded at 6:15pm

RECORD COMPLETED BY:	Officer Name:	Blaga Naumoski
	Officer Title:	Executive Manager Governance and Legal Services



12. Officers' reports

OCM.122/19 Yan Yean Road Upgrade - Acquisition of Council land at 55-73 and 75-101 Yan Yean Road, Plenty

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

Author: Natalie Campion, Coordinator Property

Jonathon Miller, Manager Assets and Property

Summary

VicRoads has compulsorily acquired 10 parcels (or parts thereof, included in 12 separate titles) of Council owned land with frontage onto Yan Yean Road, to allow for the upgrade of Yan Yean Road.

At the July 2018 Ordinary Meeting of Council (OCM), Council resolved to accept offers of compensation from VicRoads for 7 of the 10 parcels.

In relation to the two parcels of land compulsorily acquired at 55-73 and 75-101 Yan Yean Road (Plenty War Memorial Park), due to the substantial difference between the value of compensation being offered by VicRoads and the professional valuation advice provided by Council's appointed property valuer (Property Dynamics), Council also endorsed a recommendation to initiate formal action to dispute the compensation being offered.

The confidential report will provide Councillors with an update on the status of negotiations between VicRoads and Council's representative in relation to the compulsorily acquired land at 55-73 and 75-101 Yan Yean Road, Plenty (Land). It also seeks Council's endorsement to accept the proposed settlement amount from VicRoads for this Land.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.122/19 Yan Yean Road Upgrade - Acquisition of Council land at 55-73 and 75-101 Yan Yean Road, Plenty

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12. Officers' reports

OCM.123/19 Eltham Men's Shed Loan Guarantee Request

Distribution: Public

Manager: Corrienne Nichols, Executive Manager Community Services

Author: Melanie Holt, Coordinator Youth and Community Partnerships

Summary

This report is an overview of a separate report considering a loan guarantee request from the Eltham Men's Shed operating from Council-owned facilities at 20 Wattletree Road, Eltham North.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.123/19 Eltham Men's Shed Loan Guarantee Request

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12. Officers' reports

OCM.124/19 Eltham Redbacks Football Club Loan Guarantee Request

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

Author: Rosalynd Ponte, Leisure Services Development Officer

Summary

This report is an overview of a separate report considering a loan guarantee request from the Eltham Redbacks Football Club operating from Council-owned facilities at Eltham North Reserve, Eltham North.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.124/19 Eltham Redbacks Football Club Loan Guarantee Request

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12. Officers' reports

OCM.125/19 North Eltham Wanderers Cricket Club Loan Guarantee Request

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

Author: Rosalynd Ponte, Leisure Services Development Officer

Summary

This report is an overview of a separate report considering a loan guarantee request from the North Eltham Wanderers Cricket Club operating from Council-owned facilities at Eltham North Reserve, Eltham North.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.125/19 North Eltham Wanderers Cricket Club Loan Guarantee Request

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12. Officers' reports

OCM.126/19 Contract 1819-38 - Variation to Contract

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

**Author: Heath Gillett, Manager Recreation and Leisure
Andrea Jackson, Senior Leisure Facilities Officer**

Summary

At Council's Ordinary Council Meeting on 18 December 2018, Council resolved "in camera" to award of the contract for the development, management and maintenance of the Yarrambat Park Golf Course.

The report outlined a change in contract commencement dates to ensure the previous management and maintenance contracts expired at the same time. The report also noted an additional maintenance cost as a result of the change in dates. Council officers have since worked with the successful tenderer to address the maintenance cost.

This report is an overview of a separate confidential report noting how the maintenance cost will be dealt with, and requests authorisation for the CEO to finalise contract documentation with the successful tender.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.126/19 Contract 1819-38 - Variation to Contract

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12. Officers' reports

OCM.127/19 RFT 1819-86 Provision for Garbage, Recycle, Organics Waste Collection

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

Author: Lisa Pittle, Manager Environment

Mikael Ooi, Waste Management Coordinator

Hannah Burns, Project Officer, Environment

Summary

This report is an overview of a separate confidential report considering the review, service quality and cost of Council's kerbside waste collection service through an open tender process.

The initial contract term is seven (7) years with an extension option of up to three (3) years. The total duration of the contract, including the exercise of any options, shall not exceed ten (10) years.

The Tender Evaluation Panel has assessed all submissions including a like for like comparison with the quality and cost of the in house service.

The confidential report contains a recommendation to make public the decision regarding this contract but any associated evaluation remain confidential.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.127/19 RFT 1819-86 Provision for Garbage, Recycle, Organics Waste Collection

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12. Officers' reports

OCM.128/19 RFT 1819-94 Sugarloaf Link Deer Control

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

Author: Michelle Hanslow, Biodiversity Officer

Lisa Pittle, Manager Environment

Kirsten Reedy, Coordinator Environment

Summary

This report is an overview of a separate confidential report considering the awarding of the contract to appoint a panel of two professional, fully accredited pest animal control companies.

This collaborative project has been fully funded by a Department of Environment, Land, Water and Planning (DELWP) Biodiversity Response Planning (BRP) grant and is designed to protect biodiversity across land tenure in the area between Sugarloaf Reservoir and the Yarra River.

The awarding of this tender will formalise the deer control requirements for Council for an initial period of one (1) year. Council may at its discretion, extend the operation of the contract beyond the initial contract term for a minimum period of six (6) months and a maximum of 18 months.

Council will evaluate the project after the initial contract and re-tender if required.

The Tender Evaluation Panel (TEP) has agreed to the results of the evaluation and recommendation to award the contract.

Pursuant to the Instrument of Delegation to the Chief Executive Officer the value of this contract exceeds the specified financial limits and a Council resolution is therefore required to award the contract/s.

The confidential report associated with this contract contains a recommendation to make public the decision regarding this contract but the evaluation remain confidential.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.128/19 RFT 1819-94 Sugarloaf Link Deer Control

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12. Officers' reports

OCM.129/19 RFT 1819-112 High Use Sites Tree Inspections

Distribution: Public

Manager: Hjalmar Philipp, Director Operations and Infrastructure

Author: Alicia Fitzgerald, Living Landscapes Project Arborist
Andrew Solum, Team Leader Arboriculture and Parks Maintenance
Lisa Pittle, Manager Environment

Summary

This report is an overview of a separate confidential report considering the awarding of a contract for the provision of proactive tree inspections for 130 high use sites.

The contract term is an initial period of two years, with options to extend the contract. The total duration of the contract, including the exercise of any options, shall not exceed six years.

The tender evaluation panel has assessed all submissions and this report outlines their evaluation in recommending the awarding of the contract for High Use Sites Tree Inspection Services.

Pursuant to the Instrument of Delegation to the Chief Executive Officer the value of this contract exceeds the specified financial limits and a Council resolution is therefore required to award the contract.

The confidential report associated with this contract contains a recommendation to make public the decision regarding this contract but the evaluation remain confidential.

Recommendation

That Council notes this report.

Attachments

Nil

12. Officers' reports

OCM.129/19 RFT 1819-112 High Use Sites Tree Inspections

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12. Officers' reports

OCM.130/19 Quarterly Risk and Insurance Report

Distribution: Public

Manager: Jeremy Livingston, Executive Manager Business Transformation and Performance

Author: Craig Commene, Risk Advisor

Summary

This report provides a summary of Council’s Risk and Insurance Report for the quarter ending June 2019, including annual reporting.

The report is presented in accordance with the Local Government Performance Reporting Framework (LGPRF). This reporting framework requires the presentation of a report to Council at least every six months, detailing the strategic risks, operational risks, the consequences and likelihood of occurrence, and risk mitigation strategies.

Risk and insurance reporting to Council will be tabled each quarter following consideration by the Audit and Risk Committee.

A separate confidential report in this agenda provides detailed information for Council’s consideration. It is recommended that this detailed report remain confidential as it includes information which may prejudice the Council or another person.

Recommendation

That Council notes this report.

Attachments

Nil

Background

1. Council’s commitment to risk management is outlined in the Risk Management Policy adopted in June 2018, with the following objectives:
 - 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 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; and
 - To ensure that risk management is seen as the responsibility of all staff, i.e.: “Risk Management is everyone’s business”.

12. Officers' reports

OCM.130/19 Quarterly Risk and Insurance Report

2. In addition to the Risk Management Policy, Council's Risk Management Framework 2018 communicates and describes the risk management structure and procedures that are used to identify, analyse, evaluate, treat, monitor and communicate key risks, including management reporting.
3. The context of the Risk Management Policy and Framework takes into account that local government presents a distinct risk character and profile that needs to be taken into account when considering risk management. Many assets and services are available 24 hours a day seven days a week in an unsupervised way, some are managed or provided by volunteers or committees of management or are managed by contractors, others are regulated by compliance legislation.
4. Prior to the introduction of the Local Government Performance Reporting Framework (LGPRF), risk reporting was referred to Councils' Audit and Risk Committee and the information included for consideration by Council through the adoption of the Audit and Risk Committee's minutes.
5. Commencing 1 July 2014, the State Government introduced the LGPRF. This framework requires the presentation of risk reporting processes to Council at least every six months on strategic risks to Council operations.
6. The Risk and Insurance report is a result of consolidation of these management reports, which broadly reports on:
 - Risk management;
 - Business continuity;
 - Fraud;
 - Insurance premiums;
 - Incident management and insurance claims;
 - Safety, health and wellbeing;
 - Other data; and
 - Strategic risk summary report.

Policy context

7. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Ensure that Council meets its legal responsibilities and manages its risks.

Budget implications

8. The costs for managing and reporting are covered by Council's operating budget.

Consultation/communication

9. The Quarterly Risk and Insurance Report was considered by the Audit and Risk Committee on 12 August 2019.

12. Officers' reports

OCM.130/19 Quarterly Risk and Insurance Report

Issues/options

10. The Quarterly Risk and Insurance Report has been prepared in accordance with Council's Risk Management Policy and Framework and is consistent with the Australian Standard AS/NZS 31000:2009 Risk Management.
11. Workshops for the development of Council's operational risks progressed during the June 2019 quarter and 34 of 76 are complete. The operational safety risks and hazard register are now complete.
12. The remaining operational risks have been drafted but not yet consulted with internal stakeholders across Council. Following consultation, next steps include integration into Council systems and processes.
13. An operational risk is a risk that is external or internal that may impact the current business strategy to provide services to the community.
14. Highlights from the Quarterly Risk and Insurance Report for the June 2019 quarter are:
 - Annual statistical reporting for 2018-2019;
 - Completion of placement of Council's 2019-2020 insurance portfolio including a public tender for property, motor vehicle and public liability and professional indemnity insurance policies. All policies were in place by 30 June 2019;
 - The placement of the insurance portfolio also included additional services to be provided by Council's Broker for risk profiling and loss limit validation as recommended by the Victorian Auditor-General's Office Report – Local Government Insurance Risks – July 2018;
 - The following table summarises recorded incidents by type for matters involving Council. It should be noted that this table shows all reported incidents, rather than all claims, as not every incident results in a claim being made;

Incidents by type (excluding OHS incidents)	Jul - Sep 18	Oct - Dec 18	Jan - Mar 19	Apr - Jun 19	Total Jul - Jun 19	Last Year Jul - Jun 18	Year to date trend
Property	4	3	9	9	25	33	▼
Motor vehicle	17	21	20	27	85	123	▼
Professional Indemnity	1	3	3	6	13	3	▲
Public Liability	22	16	34	32	104	122	▼
Total all incidents	44	43	66	74	227	281	▼

12. Officers' reports

OCM.130/19 Quarterly Risk and Insurance Report

- A high proportion of reported incidents during the June 2019 quarter are generated within the normal course of operations in the Operations and Infrastructure Directorate (74 per cent). These incidents relate to major classes of asset or maintenance type incidents for Council buildings, recreational facilities, playgrounds, trees, drainage, footpath, road damage and major plant;
- Tree related risks are mitigated through the:
 - Tree Management Policy;
 - Reactive tree maintenance program;
 - Proactive electric power line clearance program;
 - Proactive box clearance program;
 - Proactive inspections of high risk trees; and
 - Meeting the objectives of the Municipal Emergency Management Plan and Municipal Fire Management Plan;
- Road, footpath, drainage and roadside related risks are mitigated through the:
 - Road Management Plan;
 - Road Asset Management Plans; and
 - Proactive and reactive maintenance programs;
- Property incidents typically are reported break-ins, vandalism and accidental damage to Council buildings or fixed equipment such as in playgrounds and recreational facilities. Risks are mitigated through maintenance programs and insurance.
- Notable property incidents during the June 2019 quarter included:
 - Vandalism at the Diamond Creek Living and Learning Centre;
 - Copper theft at the Eltham Library;
 - Accidental damage to Council's Operations Centre wash bay shed;
 - Tree limb fell onto the roof of the Eltham Horse and Pony Club; and
 - Where appropriate, insurance claims were made and repairs undertaken. Several matters were reported to the Police.
- Motor vehicle incidents include accidental damage involving Council's light and heavy fleet, including incidents caused by third parties. Risks are mitigated through maintenance, education and insurance.
 - There were no significant accidents during the June 2019 quarter and only one minor insurance claim was lodged with Council's insurer.
- Professional indemnity relates to claims for alleged negligence or breach of duty arising from an act, error or omission in the performance of Council services.

12. Officers' reports

OCM.130/19 Quarterly Risk and Insurance Report

- Public liability incidents are reported to Council where the third party is seeking compensation for personal injury, property damage and economic loss. These claims are managed by an external claims manager or Council's insurer. Typical incidents primarily relate to vehicle road damage, property damage, tree related or trip and fall incidents.
 - 11 trip and fall incidents were reported at various locations;
 - Six incidents related to vehicle damage, primarily these are tyre or body work damage caused by the road surface or road related infrastructure. Note that the *Road Management Act 2004* threshold is currently \$1400;
 - Four incidents related to trees were reported. All claims were referred to Council's claims manager for assessment; and
 - 11 miscellaneous incidents were noted.
- The annual trend data for year ending June 2019 was lower compared to the same period ending June 2018. The decrease is attributed to fewer weather related events and it is not unusual for the number of incidents to vary from period to period.

15. Incident costs including under excess claim costs and insurance excesses are managed within existing budgets.

Conclusion

16. This summary, along with the confidential Risk and Insurance Report June 2019, have been provided to meet the requirements of the Local Government Performance Reporting Framework (LGPRF) and consolidation of management reporting.
17. Ongoing reporting to Council is presented quarterly following each meeting of the Audit and Risk Committee.

12. Officers' reports

OCM.130/19 Quarterly Risk and Insurance Report

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- 13. Notices of Motion
- 14. Delegates' Reports
- 15. Supplementary and urgent business
- 16. Confidential reports

The Chief Executive Officer, pursuant to section 77(2)(c) of the *Local Government Act 1989* (the Act), has designated the following items to be confidential:

OCM.131/19 Yan Yean Road Upgrade - Acquisition of Council land at 55-73 and 75-101 Yan Yean Road, Plenty

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) matters affecting the security of Council property and Section 89(2)(g) of the Act.

OCM.132/19 Eltham Men's Shed Loan Guarantee Request

This item is designated confidential because it is deemed as any other matter pursuant to Section 89(2)(h) of the Act.

OCM.133/19 Eltham Redbacks Football Club Loan Guarantee Request

This item is designated confidential because it is deemed as any other matter pursuant to Section 89(2)(h) of the Act.

OCM.134/19 North Eltham Wanderers Cricket Club Loan Guarantee Request

This item is designated confidential because it is deemed as any other matter pursuant to Section 89(2)(h) of the Act.

OCM.135/19 Contract 1819-38 - Variation to Contract

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) of the Act.

OCM.136/19 RFT 1819-86 Provision for Garbage, Recycle, Organics Waste Collection

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) of the Act.

OCM.137/19 RFT 1819-94 Sugarloaf Link Deer Control

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) of the Act.

OCM.138/19 RFT 1819-112 High Use Sites Tree Inspections

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) of the Act.

OCM.139/19 Quarterly Risk and Insurance Report

This item is designated confidential because it is deemed as any other matter pursuant to Section 89(2)(h) of the Act.

The Meeting may be closed to members of the public to consider confidential matters.

Recommendation

That in accordance with section 89(2) of the *Local Government Act 1989*, Council resolves to close the meeting to members of the public to consider the items designated confidential by the Chief Executive Officer.