

SPECIAL MEETING OF COUNCIL

Notice is hereby given of a
Special Meeting of Council to be held at
Council Chamber, 15 Stead Street, Ballan on
Wednesday 9 September 2015,
commencing at 6:00 p.m.

Members:

Cr. Paul Tatchell (Mayor)	Central Ward
Cr. Allan Comrie	East Moorabool Ward
Cr. David Edwards	East Moorabool Ward
Cr. John Spain	East Moorabool Ward
Cr. Tonia Dudzik	East Moorabool Ward
Cr. Tom Sullivan	West Moorabool Ward
Cr. Pat Toohey	Woodlands Ward

Officers:

Mr. Rob Croxford	Chief Executive Officer
Mr. Phil Jeffrey	General Manager Infrastructure
Mr. Satwinder Sandhu	General Manager Growth and Development
Mr. Danny Colgan	General Manager Community Services

Rob Croxford
Chief Executive Officer

AGENDA

1.	OPENING OF MEETING	3
2.	ACKNOWLEDGEMENT TO COUNTRY	3
3.	PRESENT.....	3
4.	APOLOGIES	3
5.	DISCLOSURE OF CONFLICT OF INTEREST	4
6.	PRESENTATIONS / DEPUTATIONS	6
7.	BUSINESS	7
7.1	<i>Adoption “in principle” of the 2014/15 Financial Statements for submission to the Victorian Auditor-General for certification.....</i>	<i>7</i>
7.2	<i>Adoption “in principle” of the 2014/15 Performance Statement for submission to the Victorian Auditor-General for certification.....</i>	<i>55</i>
7.3	<i>2014/2015 Governance and Management Checklist.....</i>	<i>73</i>
8.	FURTHER BUSINESS AS ADMITTED BY UNANIMOUS RESOLUTION OF COUNCIL	81
9.	CLOSED SESSION OF THE MEETING TO THE PUBLIC	82
10.	MEETING CLOSURE	83

1. OPENING OF MEETING

2. ACKNOWLEDGEMENT TO COUNTRY

We respectfully acknowledge the traditional owners of this land, their spirits and ancestors.

3. PRESENT

4. APOLOGIES

5. DISCLOSURE OF CONFLICT OF INTEREST

Under the Local Government Act (1989), the classification of the type of interest giving rise to a conflict is; a direct interest; or an indirect interest (section 77A and 77B). The type of indirect interest specified under Section 78, 78A, 78B, 78C or 78D of the Local Government Act 1989 set out the requirements of a Councillor or member of a Special Committee to disclose any conflicts of interest that the Councillor or member of a Special Committee may have in a matter being or likely to be considered at a meeting of the Council or Committee.

Definitions of the class of the interest are:

- a direct interest
 - (section 77A, 77B)
- an indirect interest (see below)
 - indirect interest by close association (section 78)
 - indirect financial interest (section 78A)
 - indirect interest because of conflicting duty (section 78B)
 - indirect interest because of receipt of gift(s) (section 78C)
 - indirect interest through civil proceedings (section 78D)

Time for Disclosure of Conflicts of Interest

In addition to the Council protocol relating to disclosure at the beginning of the meeting, section 79 of the Local Government Act 1989 (the Act) requires a Councillor to disclose the details, classification and the nature of the conflict of interest immediately at the beginning of the meeting and/or before consideration or discussion of the Item.

Section 79(6) of the Act states:

While the matter is being considered or any vote is taken in relation to the matter, the Councillor or member of a special committee must:

- (a) leave the room and notify the Mayor or the Chairperson of the special committee that he or she is doing so; and
- (b) remain outside the room and any gallery or other area in view of hearing of the room.

The Councillor is to be notified by the Mayor or Chairperson of the special committee that he or she may return to the room after consideration of the matter and all votes on the matter.

There are important reasons for requiring this disclosure immediately before the relevant matter is considered.

- Firstly, members of the public might only be in attendance for part of a meeting and should be able to see that all matters are considered in an appropriately transparent manner.
- Secondly, if conflicts of interest are not disclosed immediately before an item there is a risk that a Councillor who arrives late to a meeting may fail to disclose their conflict of interest and be in breach of the Act.

6. PRESENTATIONS / DEPUTATIONS

The Council has made provision in the business of the Special Meeting of the Council for the making of presentations or deputations to Council in relation to matters presented on the agenda for Council consideration.

Presentations or deputations are required to be conducted in accordance with the requirements contained within the **Presentation/Deputations Protocols and Procedural Guidelines**.

Persons wishing to make a presentation or deputation to the Council on a matter included in the agenda shall inform Council by 1pm on the Friday prior to the meeting by contacting the Chief Executive Officer's Office and registering their name and agenda item being spoken to.

At the meeting the Mayor will invite the persons wishing to make a presentation or delegation to address the Council on the agenda item.

The person making the presentation or deputation is to stand and address the Council on the item. No debate on the item is permitted between the person making the presentation or delegation and the Council.

A maximum of three minutes per presentation or delegation will be allocated. An extension of time may be granted at the discretion of the Mayor.

Councillors, through the Mayor, may ask the person making the presentation or delegation for clarification of matters presented.

The Mayor may direct that a member of the gallery ceases speaking if the above procedure is not followed.

List of Persons making Presentations/Deputations other than in relation to a planning item listed on the agenda: As listed.

7. BUSINESS

7.1 Adoption “in principle” of the 2014/15 Financial Statements for submission to the Victorian Auditor-General for certification

Introduction

File No.: 02/02/002
Author: Steven Ivelja
General Manager: Phil Jeffrey

Background

The following report presents the 2014/15 Financial Statements for adoption in principle by Council for submission to the Auditor-General for certification.

The Local Government Act 1989 requires that Council complete the following at the end of each financial year with respect to producing an Annual Report.

S. 131 Annual report

- (1) A Council must prepare an annual report in respect of each financial year
- (2) An annual report must contain the following, in respect of the financial year reported on
 - (a) a report of operations of the Council;
 - (b) an audited performance statement;
 - (c) audited financial statements;
 - (d) a copy of the auditor's report on the performance statement, prepared under section 132;
 - (e) a copy of the auditor's report on the financial statements under Part 3 of the Audit Act 1994 ;
 - (f) any other matter required by the regulations.
- (5) The financial statements in the annual report must
 - (a) include any other information required by the regulations; and
 - (b) be prepared in accordance with the regulations.

S. 132 Annual Report - Preparation

- (1) A Council must submit the performance statement and financial statements in their finalised form to the auditor for auditing as soon as possible after the end of the financial year.
- (2) The Council, after passing a resolution giving its approval in principle to the performance statement and financial statements, must submit the statements to the auditor for reporting on the audit.

- (3) The auditor must prepare a report on the performance statement.

Note: The auditor is required under Part 3 of the Audit Act 1994 to prepare a report on the financial statements.

- (4) The auditor must not sign a report under subsection (3) or under Part 3 of the Audit Act 1994 unless the performance statement or the financial statements (as applicable) have been certified under subsection (5).
- (5) The Council must ensure that the performance statement and financial statements, in their final form after any changes recommended or agreed by the auditor have been made, are certified in accordance with the regulations by
 - (a) 2 Councillors authorised by the Council for the purposes of this subsection; and
 - (b) any other prescribed persons.
- (6) The auditor must provide the Minister and the Council with a copy of the report on the performance statement as soon as is reasonably practicable.

Proposal

The 2014/15 Financial Statements have been prepared in accordance with the requirements of the Local Government Act, Local Government (Planning and Reporting) Regulations 2014 and Australian Accounting Standards.

In accordance with Council's Governance protocols, the reports will be presented to Council's Audit Committee for review on Wednesday 9 September 2015 and recommendation to Council for adoption in principle and authorisation of two Councillors, being the Councillor members of the Audit Committee, to sign the audited statements.

In summary, the statements indicate the following results for 2014/15:

1. Financial Statements: reflect the comparative performance to the previous financial year.
 - Comprehensive Income Statement - the result reflects a total comprehensive gain of \$22.300 million. Included within this result are the following significant items:
 - \$14.616 million in net asset revaluation increments as a result of the revaluation of drains on 1st July 2014.
 - \$5.178 million increase in grants - operating due to the reinstatement of early payment of Financial Assistance grants as advised by Local Government Victoria in late June 2015.

- \$0.908 million increase in grants - capital as a result of increased levels of one off grant funding for local road projects.
 - \$0.829 million increase in contributions - monetary due to developer contributions received for the West Maddingley development. These funds are set aside for future capital works.
 - Net gain (loss) on disposal of property, infrastructure, plant and equipment and investment properties compares unfavourably to 2013/14 by \$2.232 million. The net loss mainly relates to the undepreciated portion of infrastructure assets replaced at the date of asset renewal or reconstruction.
 - \$0.352 million reduction in other expenses due to a reduction in operating lease expenses resulting from a change in council policies.
 - \$0.428 million increase in depreciation expense mainly due to the increase in depreciation expense for Infrastructure Assets as a result of asset growth and the impact of asset revaluations. Also contributing to the growth is an increase in depreciation on plant and machinery due to more assets being owned and a reduced reliance on leased assets.
- Balance Sheet - the movement in net assets reflects the total operating gain of \$22.300 million. Included within this result are the following significant items:
 - A \$2.598 million increase in cash which mainly relates the early payment of 50% of the 2015/16 Financial Assistance Grants allocation.
 - An increase in Property, Infrastructure, Plant and Equipment mainly due to revaluation increments in drains \$16.017 million.
 - A \$6.039 million reduction in current liabilities as a result of a \$2.481 million reduction in Trade and Other Payables, which is due to the timing of the final payment run of the 2014/15 financial year. Also contributing to the reduction is a \$3.643 million reduction in the current portion of interest bearing loans and borrowings as a result the reclassification of the MAV debt facility. In the comparative financial year, an interim funding facility was in place at balance date which resulted in the full value of 2013/14 loan borrowings being classified as current. With the finalisation of the MAV bond issuance occurring in the 2014/15 financial year, these loans have now been classified as non-current.
 - Cash Flow Statement - the movement in cash held at the end of the year reflects an increase in cash of \$2.598 million. Included within this result are the following significant items:
 - Net cash flows from operating activities increased by \$4.674 million from last year to \$13.008 million. This mainly reflects the higher level of recurrent revenue received as compared to the comparative year resulting in higher levels of rates

and charges, operating and capital grants and monetary contributions from developers. The early payment of 2015/16 Financial Assistance Grants has in part contributed to the higher level of net cash flows from operating activities. Partially offsetting this increase is a reduction in payables of \$2.482 million in comparison to the 2013/14 financial year. The decrease in payables has in turn resulted in a higher level of cash payments for materials and services.

- Net cash used in investing activities has decreased by \$1.541 million to \$8.966 million. This mainly reflects the completion of flood recovery projects in the 2013/14 year which resulted in a larger capital works program in comparison to the 2014/15 year.
- Net cash used for in finance activities was \$1.444 million reflecting in large part the lower level of take up in new loans and the higher level of debt redemption in 2014/15. In the comparative financial year, council took up a higher level of new loan borrowings settle the defined benefits superannuation shortfall.
- Statement of Capital Works - in comparison to the 2013/14 year, overall capital expenditure for 2014/15 is \$1.711 million lower than the previous year made up of the following items;
 - In the 2013/14 financial year, \$4.727 million in overall capital expenditure related to the finalisation of 2011 flood projects. This was made up of \$0.130 million in expenditure on bridges, \$0.245 million on Roads, \$3.130 million on footpaths and cycleways and \$1.221 million on drainage related projects. As a result of these projects, the 2013/14 Capital Works Program was comparatively larger than the 2014/15 Capital Program.
 - Capital Expenditure on road infrastructure projects in 2014/15 was \$1.626 million greater than the comparative year due to the construction of a number of larger road reconstruction and rehabilitation projects including Elaine-Morrison's Road \$0.599 million, Road Reseals \$0.947 million, Halletts Way extension \$0.448 million, Holts Lane \$0.323 million, Blakeville Road \$0.423 million, Spencer Road \$0.375 million and Spargo Creek Road \$0.578 million.
 - Capital expenditure on plant, machinery and equipment was \$0.770 million greater in 2014/15 as compared to the 2013/14 financial year due in large part to the carry-over of major plant purchases from 2013/14 into the 2014/15 year. In addition to this, Council has increase its expenditure on plant and equipment due to more assets being owned resulting in a reduced reliance on operating leases. This is offset by a reduction in other expenses in the Income Statement.

As per the changes with the Local Government Reporting Framework, Council is no longer required to prepare a set of Standard Statements. A set of alternative note disclosures have now been included as part of the Financial Statements to replace the Standard Statements.

Policy Implications

The 2013-2017 Council Plan provides as follows:

Key Result Area	Continuous Improvement in Council Services
Objective	Sound long term financial management
Strategy	Develop and maintain a long term financial planning, management and reporting system, which ensures resources to deliver services and manage Council's assets.

The 2014/15 financial statements are consistent with the 2013-2017 Council Plan.

Financial Implications

The financial statements detail Council's financial performance and position for 2014/15. They demonstrate that over time Council has steadily improved its financial position, but indicates that there are still numerous financial challenges that lay ahead which will require responsible fiscal stewardship.

Communications Strategy

The Annual Financial Statements and Performance Statements are reported to Council to adopt in principle for submission to the Auditor-General for certification. Audited Statements are then incorporated into Council's Annual Report, which is completed by Council by 30 September each year.

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council the briefing officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

General Manager – Phil Jeffrey

In providing this advice to Council as the Manager, I have no interests to disclose in this report.

Author – Steven Ivelja

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

The attached Financial Statements for 2014/15 have been prepared in accordance with the requirements of the Local Government Act.

At the time of printing this document, Council's Financial Statements were included on the Agenda for consideration at the Audit and Risk Committee Meeting on Wednesday 9 September 2015, with a recommendation that the Audit and Risk Committee recommend that Council adopts the statements in principle.

Following a resolution, the Statements would then be submitted to the Auditor-General for certification. Council is also required to authorise two Councillors to sign the statements on behalf of Council, as required under the Local Government Act.

It is practice for the Councillor members of the Audit and Risk Committee to sign the certified statements on behalf of Council.

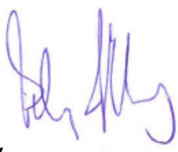
Recommendation:

That Council:

1. In accordance with S. 132 of the Local Government Act (1989):
 - (a) adopts in principle and submits the 2014/15 Financial Statements to the Auditor-General for certification; and
 - (b) authorises the Council's Audit and Risk Committee Representatives, Cr. Spain and Cr. Dudzik, to certify the 2014/15 Financial Statements in their final form, after any changes recommended, or agreed to by the Auditor, have been made.

Report Authorisation

Authorised by:


Name: Phil Jeffrey
Title: General Manager Infrastructure
Date: Friday 4 September 2015

Attachment - Item 7.1

MOORABOOL SHIRE COUNCIL
ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2015

Moorabool Shire Council
2014/2015 Financial Report
Table of Contents

Financial Report

Financial Statements

Comprehensive Income Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Statement of Capital Works

Notes to Financial Statements

Introduction

Note 1	Significant accounting policies
Note 2	Budget Comparison
Note 3	Rates and charges
Note 4	Statutory fees and fines
Note 5	User fees
Note 6	Grants
Note 7	Contributions
Note 8	Net gain (loss) on disposal of property, infrastructure, plant and equipment
Note 9	Other income
Note 10	Employee costs
Note 11	Materials and services
Note 12	Bad and doubtful debts
Note 13	Depreciation and amortisation
Note 14	Borrowing costs
Note 15	Other expenses
Note 16	Cash and cash equivalents
Note 17	Trade and other receivables
Note 18	Other financial assets
Note 19	Inventories
Note 20	Non-current assets classified as held for sale
Note 21	Other assets
Note 22	Property, infrastructure, plant and equipment
Note 23	Trade and other payables
Note 24	Trust funds and deposits
Note 25	Provisions
Note 26	Interest-bearing loans and borrowings
Note 27	Reserves
Note 28	Reconciliation of cash flows from operating activities to surplus/(deficit)
Note 29	Reconciliation of cash and cash equivalents
Note 30	Financing arrangements
Note 31	Commitments
Note 32	Operating leases
Note 33	Contingent liabilities and contingent assets
Note 34	Financial instruments
Note 35	Related party transactions
Note 36	Events occurring after balance date

Certification of the Financial Report

Comprehensive Income Statement For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Income			
Rates and charges	3	27,633	26,018
Statutory fees and fines	4	481	396
User fees	5	1,716	1,485
Grants - operating	6	11,822	6,644
Grants - capital	6	4,961	4,054
Contributions - monetary	7	933	104
Contributions - non-monetary	7	3,848	4,275
Net gain (loss) on disposal of property, infrastructure, plant and equipment and investment properties	8	(3,612)	(1,380)
Other income	9	1,724	1,491
Total Income		49,507	43,087
Expenses			
Employee costs	10	(17,094)	(16,712)
Materials and services	11	(15,428)	(15,413)
Bad and doubtful debts	12	(22)	(31)
Depreciation and amortisation	13	(7,708)	(7,280)
Borrowing costs	14	(777)	(852)
Other expenses	15	(793)	(1,145)
Total Expenses		(41,823)	(41,433)
Surplus/(deficit) for the year		7,684	1,654
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	27(a)	14,616	(35,580)
Total comprehensive Result		22,300	(33,927)

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

Balance Sheet As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	12,173	9,576
Trade and other receivables	17	4,377	3,899
Other financial assets	18	-	-
Inventories	19	21	17
Non-current assets classified as held for sale	20	991	991
Other assets	21	306	165
Total current assets		17,868	14,647
Non-current assets			
Trade and other receivables	17	122	127
Property, infrastructure, plant and equipment	22	438,128	422,110
Total non-current assets		438,250	422,237
Total assets		456,117	436,885
Liabilities			
Current liabilities			
Trade and other payables	23	3,856	6,338
Trust funds and deposits	24	599	813
Provisions	25	3,820	3,520
Interest-bearing loans and borrowings	26	1,464	5,107
Total current liabilities		9,740	15,779
Non-current liabilities			
Provisions	25	919	923
Interest-bearing loans and borrowings	26	10,567	7,592
Total non-current liabilities		11,486	8,514
Total liabilities		21,226	24,293
Net assets		434,891	412,592
Equity			
Accumulated surplus		131,611	124,985
Reserves	27	303,281	287,606
Total Equity		434,891	412,592

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

Statement of Changes in Equity For the Year Ended 30 June 2015

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2015					
Balance at beginning of the financial year		412,592	124,985	284,358	3,249
Surplus/(deficit) for the year	27a	7,684	7,684	-	-
Net asset revaluation increment/(decrement)		14,616	-	14,616	-
Transfers to other reserves	27b	-	(1,374)	-	1,374
Transfers from other reserves	27b	-	315	-	(315)
Balance at end of the financial year		434,891	131,611	298,973	4,307

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2014					
Balance at beginning of the financial year		445,930	123,197	319,938	2,795
Found assets*		589	589	-	-
Surplus/(deficit) for the year	27a	1,654	1,654	-	-
Net asset revaluation increment/(decrement)		(35,580)	-	(35,580)	-
Transfers to other reserves	27b	-	(543)	-	543
Transfers from other reserves	27b	-	90	-	(90)
Balance at end of the financial year		412,592	124,985	284,358	3,249

*Found assets are an adjustment made in 2013/14 relating to prior years that impacts the opening balance for 2013/14.

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

Statement of Cash Flows For the Year Ended 30 June 2015

		2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		27,480	26,100
Statutory fees and fines		481	460
User fees (inclusive of GST)		1,624	1,523
Grants - operating (inclusive of GST)		12,172	6,496
Grants - capital (inclusive of GST)		4,961	4,161
Contributions - monetary		933	104
Interest received		469	478
Trust funds and deposits taken		117	2,894
Other receipts (inclusive of GST)		1,293	1,042
Net GST refund/payment		1,938	1,938
Employee costs		(16,798)	(16,259)
Materials and services (inclusive of GST)		(20,515)	(17,217)
Trust funds and deposits repaid		(331)	(2,878)
Other payments		(815)	(508)
Net cash provided by/(used in) operating activities	28	<u>13,008</u>	<u>8,334</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(9,194)	(10,922)
Proceeds from sale of property, infrastructure, plant and equipment		228	415
Net cash provided by (used in) investing activities		<u>(8,966)</u>	<u>(10,507)</u>
Cash flows from financing activities			
Finance costs		(777)	(852)
Proceeds from borrowings		1,000	2,845
Repayment of borrowings		(1,667)	(1,517)
Net cash provided by (used in) financing activities		<u>(1,444)</u>	<u>477</u>
Net increase (decrease) in cash and cash equivalents		2,598	(1,696)
Cash and cash equivalents at the beginning of the financial year		9,576	11,272
Cash and cash equivalents at the end of the financial year	29	<u>12,173</u>	<u>9,576</u>
Financing arrangements	30		
Restrictions on cash assets	16		

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

Statement of Capital Works For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Property			
Land		133	30
Total land		133	30
Buildings		507	347
Total buildings		507	347
Total property		640	377
Plant and equipment			
Plant, machinery and equipment		1,521	675
Computers and telecommunications		16	123
Library books		143	111
Total plant and equipment		1,680	909
Infrastructure			
Roads		5,740	4,114
Bridges		157	232
Footpaths and cycleways		166	3,415
Drainage		84	1,243
Recreational, leisure and community facilities		520	332
Parks, open space and streetscapes		45	23
Other infrastructure		163	259
Total infrastructure		6,875	9,618
Total capital works expenditure		9,194	10,905
Represented by:			
New asset expenditure		971	462
Asset renewal expenditure		7,692	9,890
Asset upgrade expenditure		531	553
Total capital works expenditure		9,194	10,905

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

Introduction

Moorabool Shire Council was established by an Order of the Governor in Council on Friday, 6 May 1994 and is a body corporate. The Council's main office is located at 15 Stead Street, Ballan.

Statement of Compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Change in accounting policies

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

(c) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

(d) Revenue recognition

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

Rates and charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Note 1 Significant accounting policies (cont.)

(d) Revenue recognition (cont.)

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Dividends

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

Other Income

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

(e) Fair value measurement

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(g) Trade and other receivables

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

(h) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(i) Inventories

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

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

Note 1 Significant accounting policies (cont.)

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

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non current assets, disposal groups and related liabilities 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.

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

Acquisition

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis every 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Council recognises land under roads it controls at fair value. Council does not recognise land under roads that it controlled prior to 1 July 2008 in its financial report.

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

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.

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

Note 1 Significant accounting policies (cont.)

(l) Depreciation and amortisation of property, plant and equipment, infrastructure (cont.)

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
Land	-	5
Land improvements	-	5
Buildings		
Buildings	50-80 years	5
Plant and Equipment		
Plant, machinery and equipment	5-10 years	5
Fixtures, fittings and furniture	3-10 years	5
Computers and telecommunications	1-5 years	5
Library books	10 years	n/a
Infrastructure		
Roads		
- Formation and earthworks	Infinite	5
- Pavement and seals	20-80 years	5
- Substructure	15-30 years	5
- Road kerb, channel and minor culverts	40-70 years	5
Footpaths and cycleways	10-50 years	5
Drainage	25-100 years	5
Bridges		
- Bridges deck	80 years	5
- Bridges substructure	80 years	5
- Major culverts	80 years	5
Recreational, leisure and community facilities	15-40 years	5
Parks, open space and streetscapes	20-100 years	5

(m) Repairs and maintenance

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

(n) Investment property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(o) 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.

(p) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to note 24).

Note 1 Significant accounting policies (cont.)

(q) Borrowings

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

Borrowing costs

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

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

(r) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

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

Retirement Gratuity

Retirement gratuities were provided to certain employees who were employed by the former Shire of Bacchus Marsh. The liability represents a set proportion of accumulated sick leave that is payable on retirement. At balance date, the liability is measured at the nominal value of 14 March 1996.

(s) Landfill rehabilitation provision

Council is obligated to restore landfill sites to a particular standard. The forecast life of the sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(t) Leases

Operating leases

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

Note 1 Significant accounting policies (cont.)

(u) Goods and services tax (GST)

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

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

(v) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 33 Contingent Liabilities and Contingent Assets.

(w) Contingent assets and contingent liabilities and commitments

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

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

(x) Pending accounting standards

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

(y) Rounding

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

Note 2 Budget Comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent or \$1,000,000 where an explanation is provided. 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 16 July 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

	Budget	Actual	Variance	
a) Income and Expenditure	2015	2015	2015	
	\$'000	\$'000	\$'000	Ref
Income				
Rates and charges	27,959	27,633	(326)	
Statutory fees and fines	536	481	(55)	
User fees	1,748	1,716	(32)	
Grants - operating	8,599	11,822	3,223	1
Grants - capital	2,893	4,961	2,068	2
Contributions - monetary	185	933	748	3
Contributions - non monetary	4,500	3,848	(652)	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,634)	(3,612)	(1,978)	5
Interest received	530	469	(61)	6
Other income	981	1,256	275	7
Total income	46,297	49,507	3,210	
Expenses				
Employee costs	(17,227)	(17,094)	132	
Materials and services	(15,175)	(15,428)	(254)	
Bad and doubtful debts	(2)	(22)	(20)	8
Depreciation and amortisation	(8,120)	(7,708)	412	
Borrowing costs	(639)	(777)	(137)	9
Other expenses	(440)	(793)	(353)	10
Total expenses	(41,602)	(41,823)	(221)	
Surplus/(deficit) for the year	4,695	7,684	2,989	

(i) Explanation of material variations

Ref	Item	Explanation
1	Grants - operating	Actual is \$3,223k favourable to budget largely due to early receipt of 2015/16 grants for State Financial Assistance (\$1,974k), Local Roads Funding (\$895k) and Bush Fire Preparedness (\$120k). Other favourable variance include increased grants for Aged & Disability (\$158k)
2	Grants - capital	The favourable result of \$2,068k is due to grants carried forward from 2013/14 budget for Flood Recovery (\$1,853k) and the Halletts Way Southern Connection (\$440k).
3	Contributions - monetary	Actual is \$748k favourable to budget largely due an unbudgeted \$799k developer contribution for West Maddingley being received.

Note 2 Budget Comparison (cont.)

4	Contributions - non monetary	Due to the highly unpredictable nature of non-monetary contributions, an estimate of potential value was made for budget purposes, however the actual value of these contributions came in slightly lower than estimated.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The variance to budget relates predominantly to renewal or upgrade of road assets, with the WDV of these far exceeding the budget estimate.
6	Interest Received	Actual is \$61k lower than budget due to the impact of a lower cash balance held. This has occurred for a number of reasons, such as the cancellation of the early payment of the Financial Assistance Grants in 2014/15 and a significant delay in the receipt of the final flood assistance payments. Also, investment returns have generally been lower than the rates assumed in the calculation of the budget.
7	Other income	Result is favourable \$275 due to increased insurance claims for stolen plant items (\$73k), an unbudgeted \$61k for Natural Disaster relief reimbursement following the February /March storms, increased recycling collection charges (\$52k) and an unbudgeted profit share from our leisure services contract (\$51k)
8	Bad and doubtful debts	The unfavourable result of \$20k is primarily caused by the reduction of our Peri Urban Grant(\$52k) being written off to bad debts. This is partially offset by a \$41k reduction in provisions for Bad and Doubtful debts.
9	Borrowing costs	Unfavourable result of (\$137k) is due to the budget incorrectly assuming lower interest repayments
10	Other expenses	The unfavourable result is due to the change in classification of Operating Lease expenses (\$325k) from Materials & Services in the budget, to Other expenses in the Statement of Comprehensive Income to align with the Model Accounts.

Note 2 Budget Comparison (cont.)

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
b) Capital Works				
Property				
Land	-	133	133	1
Total land	-	133	133	
Buildings	1,023	507	(516)	2
Total buildings	1,023	507	(516)	
Total property	1,023	640	(383)	
Plant and equipment				
Plant, machinery and equipment	1,389	1,521	132	
Computers and telecommunications	-	16	16	
Library books	-	143	143	3
Total plant and equipment	1,389	1,680	291	
Infrastructure				
Roads	6,193	5,740	(453)	
Bridges	390	157	(233)	4
Footpaths and cycleways	105	166	61	5
Drainage	50	84	34	6
Recreational, leisure and community facilities	419	520	101	7
Parks, open space and streetscapes	60	45	(15)	8
Other infrastructure	8	163	155	9
Total infrastructure	7,225	6,875	(350)	
Total capital works expenditure	9,637	9,194	(443)	
Represented by:				
New asset expenditure	923	971	48	
Asset renewal	5,477	7,692	2,215	
Asset expansion expenditure	70	-	(70)	
Asset upgrade	3,167	531	(2,636)	
Total capital works expenditure	9,637	9,194	(443)	

(i) Explanation of material variations

Ref	Item	Explanation
1	Land	Unbudgeted expenditure on the purchase of Tavener St (\$110k) and Claredon Lal-Lal Rd. (23K) are the source of this variance. These purchases have been funded from reserves.
2	Buildings	The favourable variance of \$516k is largely caused by the following budgeted projects not being completed in 2014/15: Darley Office Lift Upgrade (225K), Darley Children's Hub (\$231k), and Ballan Mechanic Hall Improvements (90k). These projects will be carried forward in the 2015/16 budget.
3	Library books	Expenditure on Library Books were incorrectly classified in the budget document leading to an unfavourable variance of \$143k.
4	Bridges	The favourable variance of \$233k is largely caused by the replacement of the Lee St Bridge not being completed in 2014/15 this will be carried forward in the 2015/16 budget.
5	Footpaths and cycleways	The unfavourable variance of \$61k is largely caused by expenditures on the Halletts Way Shared Path (\$124k) a project funded from savings in the 13/14 capital program. This is partially offset Darley neighbourhood Walking Trails (\$85k) which will be carried forward to the 2015/16 budget.
6	Drainage	The unfavourable variance of \$34k is largely caused by expenditures on replacement of the Drainage Line in Vance Close (Stage 20 (\$60k) being carried forward from the 2013/14 budget. This is partially offset by savings of \$26k in the Pit-Lid replacement program.

Note 2 Budget Comparison (cont.)

7	Recreational, leisure and community facilities	The unfavourable variance of \$101k is largely caused by expenditures projects carried forward from 2013/14 (\$511k) including Mason's Lane Redevelopment (\$287k) and Bacchus Marsh Racecourse Reserve (\$135k). This is partially offset by projects deferred until 2015/16 (\$470k) including the Gordon Tennis Courts Project (\$140k) and the Maddingley Park Gate Restoration Project (\$72.5k).
8	Parks, open space and streetscapes	The favourable variance of \$15k is caused by the Coimadai Avenue of Honour project (\$60k) being moved from the capital program to operations, this is partially offset by Maddingley Park - Hedge and Fence(445k) being misclassified in the budget document.
9	Other infrastructure	The unfavourable variance of \$155k is largely caused the following projects being allocated to different categories in the budget document: Blackwood Public Toilet Refurbishment (\$19k), Riverside Park Toilet - Refurbishment (\$29k), Moon Reserve - New Toilet Facility (\$55k), Maddingley Park & Basin- Install isolation valve/replace water meter (\$14k), and Maddingley Park - Water Storage (\$41k).

	2015 \$'000	2014 \$'000
Note 3 Rates and charges		

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district.
The CIV of a property is the market value of the land and all improvements to that land as assessed by a Council appointed valuer.

The valuation base used to calculate general rates for 2014/2015 was \$5,710 million (2013/2014 \$5,254 million).

General Rates	23,767	22,358
Waste / Garbage Charges	3,633	3,519
Supplementary rates and rate adjustments	233	141
Cultural and recreational	-	-
Revenue in lieu of rates	-	-
Total rates and charges	27,633	26,018

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

Note 4 Statutory fees and fines

Infringements and costs	147	109
Court recoveries	25	-
Town planning fees	255	240
Land information certificates	29	26
Permits	25	21
Total statutory fees and fines	481	396

Note 5 User fees

Aged and health services	531	465
Leisure centre and recreation	30	25
Children's programs	59	87
Animal registrations	450	367
Building services	236	177
Transfer stations	335	279
Other fees and charges	75	86
Total user fees	1,716	1,485

Note 6 Grants

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	11,326	5,722
State funded grants	5,428	4,820
Others	29	156
Total	16,783	10,698

	2015 \$'000	2014 \$'000
Note 6 Grants (cont.)		
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	8,629	2,760
Family Day Care	-	250
<i>Recurrent - State Government</i>		
Aged care	1,752	1,609
School crossing supervisors	54	49
Libraries	245	225
Maternal and child health	435	420
Other	336	327
Total recurrent operating grants	11,451	5,640
<i>Non-recurrent - Commonwealth Government</i>		
NBN projects	-	131
Healthy Communities	(34)	120
<i>Non-recurrent - State Government</i>		
Emergency management	240	120
Valuations	93	-
Strategic planning and tourism	15	350
Families and youth	3	28
Environment and health	51	202
Community development	1.33	40
Other	1.74	12
Total non-recurrent operating grants	371	1,004
Total operating grants	11,822	6,644
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	879	910
<i>Recurrent - State Government</i>		
Local roads	1,000	1,000
Total recurrent capital grants	1,879	1,910
<i>Non-recurrent - Commonwealth Government</i>		
Emergency recovery	1,853	1,550
<i>Non-recurrent - State Government</i>		
Community and recreational facilities	232	290
Local Roads	969	148
<i>Non-recurrent - Other sources</i>		
Sundry capital grants	29	156
Total non-recurrent capital grants	3,083	2,143
Total capital grants	4,961	4,054

	2015 \$'000	2014 \$'000
Note 6 Grants (cont.)		

Conditions on Grants

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

Aged and disability	55	88
Community projects and events	-	262
Corporate projects	-	63
Emergency management	120	4
Engineering	-	23
Environment	21	27
Family and children's services	34	52
Recreational, leisure and community facilities	29	212
Roads	640	206
Strategic planning and tourism	-	184
	<u>900</u>	<u>1,119</u>

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

Aged and disability	6	76
Community projects and services	131	235
Corporate projects	-	240
Environment	45	-
Family and children's services	94	69
Natural disaster relief	-	6
Recreational, leisure and community facilities	132	-
Roads	29	107
Strategic planning and tourism	113	-
	<u>550</u>	<u>733</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>350</u>	<u>387</u>

Note 7 Contributions

Monetary	933	104
Non-monetary	3,848	4,275
Total contributions	<u>4,781</u>	<u>4,379</u>

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

Land	266	436
Infrastructure	3,455	3,840
Other	127	-
	<u>3,848</u>	<u>4,275</u>

	2015 \$'000	2014 \$'000
Note 8	Net gain (loss) on disposal of property, infrastructure, plant and equipment	
Proceeds of sale	313	415
Written down value of assets disposed	(3,925)	(1,796)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(3,612)	(1,380)

The loss on disposal of assets primarily relates to the value of road infrastructure written off as a result of its capital renewal

Note 9	Other income	
Interest	469	478
Reimbursements, rebates and recoveries	413	470
Recycling income	132	124
Other rent	108	61
Royalties	64	77
Peri-Urban contributions	90	60
Insurance claims	76	5
Sales	63	48
Other	310	168
Total other income	1,724	1,491

Note 10 (a)	Employee costs	
Wages and salaries	14,523	14,068
Workcover	362	422
Casual staff	758	745
Superannuation	1,348	1,256
Fringe Benefits Tax	104	221
Total employee costs	17,094	16,712

Note 10 (b)	Superannuation	
Council made contributions to the following funds:		
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super) at 9.5%	148	209
Employer contributions payable at reporting date	(5)	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super) at 9.5%	1,066	811
Employer contributions to other funds at 9.5%	564	365
	<hr/> 1,630	<hr/> 1,176
Employer contributions payable at reporting date	49	107

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

	2015 \$'000	2014 \$'000
Note 10 (b) Superannuation (cont.)		

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14 this was 9.25%)).

Defined Benefit

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

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

Moorabool Shire Council did not make any unfunded liability payments to Vision Super during the 2014/15 financial year, or the prior financial year.

The expected employer contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$99,500.

Note 11	Materials and services		
	Materials and services	2,086	2,198
	Contract payments	7,124	7,239
	Building maintenance	514	408
	General maintenance	840	816
	Utilities	461	482
	Office administration	640	658
	Information technology	816	884
	Insurance	511	530
	Consultants	1,374	1,060
	Agency staff	315	420
	Community grants and advances	748	719
	Total materials and services	15,428	15,413

Note 12	Bad and doubtful debts		
	Parking fine debtors	1	1
	Other debtors	21	30
	Total bad and doubtful debts	22	31

Note 13	Depreciation and amortisation		
	Property	720	709
	Plant and equipment	828	704
	Infrastructure	6,160	5,867
	Total depreciation and amortisation	7,708	7,280

Refer to note 22 for a more detailed breakdown of depreciation and amortisation charges

Note 14	Borrowing costs		
	Interest - Borrowings	777	852
	Total borrowing costs	777	852

	2015 \$'000	2014 \$'000
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	38	35
Auditors' remuneration - Internal	80	75
Councillors' allowances	232	226
Operating lease rentals	325	668
Bank fees	57	66
Other	61	75
Total other expenses	793	1,145

Note 16 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	8,171	5,573
Term deposits	4,000	4,000
Total cash and cash equivalents	12,173	9,576

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 24)	599	813
Total restricted funds	599	813
Total unrestricted cash and cash equivalents	11,574	8,762

Intended allocations

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

- Cash held to fund carried forward capital works and projects	4,875	2,028
- Recreation facilities reserve	715	914
- Halletts Way road works	372	500
Total funds subject to intended allocations	5,961	3,442

Note 17 Trade and other receivables		
Current		
Rates debtors	2,696	2,539
Special rate assessment	45	43
Parking infringement debtors	246	295
Provision for doubtful debts - parking infringements	(7)	(81)
Net GST receivable	469	626
Other debtors	953	546
Provision for doubtful debts - other debtors	(25)	(69)
Total current trade and other receivables	4,377	3,899
Non-current		
Special rate assessment	122	127
Total non-current trade and other receivables	122	127
Total trade and other receivables	4,499	4,026

	2015 \$'000	2014 \$'000
Note 17 Trade and other receivables (cont.)		

(a) Ageing of receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	224	336
Past due by up to 30 days	529	17
Past due between 31 and 60 days	26	12
Past due between 61 and 90 days	11	73
Past due by more than 90 days	162	108
Total trade and other receivables	953	546

(b) Movement in provisions for doubtful debts

Balance at the beginning of the year	150	176
New Provisions recognised during the year	15	1
Amounts already provided for and written off as uncollectible	(132)	(24)
Amounts provided for but recovered during the year	(1)	(3)
Balance at end of year	32	150

(c) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$31,845 (2014: \$149,928) were impaired. The amount of the provision raised against these debtors was \$31,845 (2014: \$149,928). They have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current	-	-
Past due by up to 30 days	-	-
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	-
Past due by more than 90 days	32	150
Total Trade & Other Receivables	32	150

Note 18 Other financial assets		
---------------------------------------	--	--

Term deposits	-	-
Managed funds	-	-
Total other financial assets	-	-

	2015 \$'000	2014 \$'000
Note 19 Inventories		
Inventories held for distribution	21	17
Inventories held for sale	-	-
Total inventories	21	17
Note 20 Non-current assets classified as held for sale		
Balance at beginning of financial year	991	1,053
Disposals	-	(63)
Balance at end of financial year	991	991
Note 21 Other assets		
Prepayments	139	96
Accrued income	167	27
Other	-	42
Total other assets	306	165

Note 22 Property, infrastructure, plant and equipment

	Note	Land - specialised	Land - non specialised	Land improvements	Total Land	Heritage Buildings	Buildings - specialised	Buildings - non specialised	Building Improvements	Leasehold Improvements	Total Buildings	Work In Progress	Total Property
Land and Buildings													
At fair value 1 July 2014		1,433	41,080	-	42,513	-	28,304	10,863	-	-	39,167	392	82,072
Accumulated depreciation at 1 July 2014		-	-	-	-	-	(13,820)	(2)	-	-	(13,822)	-	(13,822)
		1,433	41,080	-	42,513	-	14,485	10,861	-	-	25,345	392	68,250
Movements in fair value													
Acquisition of assets at fair value		-	23	-	23	-	628	-	-	-	628	318	969
Contributed assets		135	131	-	266	-	-	-	-	-	-	-	266
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-	-	-	-
Fair value of assets disposed		-	-	-	-	-	(651)	-	-	-	(651)	-	(651)
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	719	-	-	-	719	-	719
		135	154	-	289	-	696	-	-	-	696	318	1,303
Movements in accumulated depreciation													
Depreciation and amortisation		-	-	-	-	-	(720)	-	-	-	(720)	-	(720)
Accumulated depreciation of disposals		-	-	-	-	-	136	-	-	-	136	-	136
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	(272)	-	-	-	(272)	-	(272)
		-	-	-	-	-	(857)	-	-	-	(857)	-	(857)
At fair value 30 June 2015		1,568	41,234	-	42,802	-	29,001	10,863	-	-	39,864	709	83,375
Accumulated depreciation at 30 June 2015		-	-	-	-	-	(14,677)	(2)	-	-	(14,679)	-	(14,679)
		1,568	41,234	-	42,802	-	14,324	10,861	-	-	25,185	709	68,696

Note 22 Property, infrastructure, plant and equipment (cont.)

	Note	Heritage plant and equipment	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
Plant and Equipment								
At fair value 1 July 2014		-	6,834	-	247	552	-	7,632
Accumulated depreciation at 1 July 2014		-	(2,889)	-	(90)	(301)	-	(3,280)
		-	3,945	-	157	250	-	4,353
Movements in fair value								
Acquisition of assets at fair value		-	1,445	-	16	143	76	1,680
Contributed assets		-	-	-	-	-	-	-
Revaluation increments/decrements		-	-	-	-	-	-	-
Fair value of assets disposed		-	(887)	-	(31)	(147)	-	(1,065)
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		-	558	-	(15)	(5)	76	615
Movements in accumulated depreciation								
Depreciation and amortisation		-	(684)	-	(65)	(80)	-	(828)
Accumulated depreciation of disposals		-	493	-	30	132	-	655
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		-	(191)	-	(34)	53	-	(173)
At fair value 30 June 2015		-	7,393	-	232	547	76	8,247
Accumulated depreciation at 30 June 2015		-	(3,080)	-	(124)	(248)	-	(3,453)
		-	4,312	-	108	298	76	4,795

Note 22 Property, infrastructure, plant and equipment (cont.)

	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
Infrastructure													
At fair value 1 July 2014		311,588	42,583	15,128	52,430	5,528	-	3,620	-	-	-	631	431,509
Accumulated depreciation at 1 July 2014		(41,339)	(13,017)	(6,611)	(16,862)	(2,796)	-	(1,377)	-	-	-	-	(82,002)
		270,250	29,566	8,517	35,568	2,732	-	2,243	-	-	-	631	349,507
Movements in fair value													
Acquisition of assets at fair value		4,551	160	266	242	42	-	367	-	-	180	739	6,546
Contributed assets		1,007	876	357	1,015	39	-	88	-	-	200	-	3,582
Revaluation increments/decrements		-	-	-	14,537	-	-	-	-	-	-	-	14,537
Fair value of assets disposed		(4,064)	(207)	(31)	(1,221)	(460)	-	(158)	-	-	(107)	(7)	(6,255)
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	(7)	-	(1,211)	(809)	-	(512)	-	-	1,821	-	(719)
		1,494	822	592	13,361	(1,188)	-	(215)	-	-	2,093	732	17,691
Movements in accumulated depreciation													
Depreciation and amortisation		(3,950)	(609)	(543)	(664)	(274)	-	(76)	-	-	(43)	-	(6,160)
Revaluation increments/decrements		-	-	-	79	-	-	-	-	-	-	-	79
Accumulated depreciation of disposals		1,849	474	29	577	161	-	138	-	-	19	-	3,247
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	3	-	111	303	-	127	-	-	(272)	-	272
		(2,101)	(132)	(515)	103	191	-	189	-	-	(297)	-	(2,562)
At fair value 30 June 2015		313,083	43,406	15,720	65,791	4,340	-	3,405	-	-	2,093	1,363	449,201
Accumulated depreciation at 30 June 2015		(43,439)	(13,149)	(7,126)	(16,759)	(2,605)	-	(1,188)	-	-	(297)	-	(84,564)
		269,643	30,256	8,594	49,032	1,735	-	2,217	-	-	1,796	1,363	364,637

Note 22 Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer (Opteon (Victoria) Pty. Ltd.). 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.

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.

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

	Level 1	Level 2	Level 3
Land	-	41,234	-
Specialised land	-	-	1,568
Buildings	-	10,861	14,324
Total	-	52,095	15,892

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with valuations undertaken by Council staff and expert contractors.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

	Level 1	Level 2	Level 3
Roads	-	-	269,643
Bridges	-	-	30,256
Footpaths and cycleways	-	-	8,594
Drainage	-	-	49,032
Recreational, leisure and community facilities	-	-	1,735
Parks, open space and streetscapes	-	-	2,217
Other infrastructure	-	-	1,796
Total	-	-	363,273

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$27 per square metre.

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 \$1,500 to \$3,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 6 years to 75 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 are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2015 \$'000	2014 \$'000
Reconciliation of specialised land		
Land under roads	1,568	1,433
Total specialised land	1,568	1,433

	2015 \$'000	2014 \$'000
Note 23 Trade and other payables		
Trade payables	621	1,711
Accrued expenses	3,235	4,627
Total trade and other payables	3,856	6,338

Note 24 Trust funds and deposits		
Refundable building deposits	464	611
Refundable contract deposits	26	12
Refundable civic facilities deposits	11	11
Retention amounts	73	109
Fire Services Levy	19	54
Other refundable deposits	6	15
Total trust funds and deposits	599	813

Purpose and nature of items

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

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

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

Note 25 Provisions

	Quarry restoration \$ '000	Employee \$ '000	Total \$ '000
2015			
Balance at beginning of the financial year	228	4,215	4,443
Additional provisions	3	1,889	1,893
Amounts used	-	(1,597)	(1,597)
Balance at the end of the financial year	231	4,507	4,739
2014			
Balance at beginning of the financial year	211	3,779	3,990
Additional provisions	17	2,061	2,078
Amounts used	-	(1,625)	(1,625)
Balance at the end of the financial year	228	4,215	4,443

	2015 \$'000	2014 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,099	1,045
Long service leave	351	336
RDO's / Time in lieu	160	154
	1,610	1,535
Current provisions expected to be wholly settled after 12 months		
Annual leave	143	191
Long service leave	1,836	1,566
RDO's / Time in lieu	-	-
	1,979	1,757
Total current provisions	3,589	3,292
Non-current		
Long service leave	919	923
Total non-current provisions	919	923

Note 25 Provisions (cont.)

	2015 \$'000	2014 \$'000
Aggregate carrying amount of employee provisions:		
Current	3,589	3,292
Non-current	919	923
Total aggregate carrying amount of employee provisions:	<u>4,507</u>	<u>4,215</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	2.53%	3.13%
(b) Quarry restoration		
Current	231	228
Non-current	-	-
	<u>231</u>	<u>228</u>

Council is required to rehabilitate the land once the useful life of the gravel quarry comes to an end

Note 26 Interest-bearing loans and borrowings

Current		
Borrowings - Secured	1,464	5,107
	<u>1,464</u>	<u>5,107</u>
Non-current		
Borrowings - Secured	10,567	7,592
	<u>10,567</u>	<u>7,592</u>
Total interest-bearing loans and borrowings	<u>12,032</u>	<u>12,699</u>
(a) The maturity profile for Council's borrowings is:		
Not later than one year	1,464	5,107
Later than one year and not later than five years	5,036	5,635
Later than five years	5,531	1,956
	<u>12,032</u>	<u>12,699</u>
(b) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	1,464	5,107
Non-current	10,567	7,592
	<u>12,032</u>	<u>12,699</u>

All Council borrowings are secured by a charge against rate revenue

Note 27 Reserves

(a) Asset revaluation reserves

2015

Property

Land	24,180	-	-	24,180
Land under roads	170	-	-	170
Buildings	2,279	-	-	2,279
	<u>26,629</u>	<u>-</u>	<u>-</u>	<u>26,629</u>

Infrastructure

Roads	220,608	-	-	220,608
Bridges	22,261	-	-	22,261
Footpaths and cycleways	767	-	-	767
Drainage	10,286	14,616	-	24,902
Recreation, leisure and community facilities	3,390	-	-	3,390
Kerb & channel	418	-	-	418
	<u>257,729</u>	<u>14,616</u>	<u>-</u>	<u>272,344</u>

Total Asset Revaluation Reserves

	<u>284,358</u>	<u>14,616</u>	<u>-</u>	<u>298,973</u>
--	----------------	---------------	----------	----------------

2014

Property

Land	21,067	3,114	-	24,180
Land under roads	40	130	-	170
Buildings	1,922	357	-	2,279
	<u>23,029</u>	<u>3,600</u>	<u>-</u>	<u>26,629</u>

Infrastructure

Roads*	260,128	(78,501)	38,981	220,608
Bridges	22,261	-	-	22,261
Footpaths and cycleways	767	-	-	767
Drainage	10,286	-	-	10,286
Recreation, leisure and community facilities	3,049	340	-	3,390
Kerb & channel	418	-	-	418
	<u>296,909</u>	<u>(78,161)</u>	<u>38,981</u>	<u>257,729</u>

Total Asset Revaluation Reserves

	<u>319,938</u>	<u>(74,561)</u>	<u>38,981</u>	<u>284,358</u>
--	----------------	-----------------	---------------	----------------

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

* In undertaking a review of the infrastructure asset class in the 2013/14 financial year, Council identified that the width of the road formation areas had been previously overestimated. As a result, Council identified road infrastructure assets that should not have been recognised in prior years. This was corrected in the form of a revaluation decrement and the correction of a prior period error in the 2013/14 financial year.

Note 27 Reserves (cont.)

(b) Other reserves

2015

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Car park reserve	43	-	-	43
Recreation facilities	914	74	(273)	715
Development works	1,907	21	(42)	1,885
Social infrastructure reserve	127	46	-	174
Storm water management	73	-	-	73
Closed landfill	72	300	-	372
Defined benefits	56	60	-	116
Capital works seed funding	56	60	-	116
Capital works contributions reserve	-	14	-	14
Developer contribution reserve	-	799	-	799
Total statutory and other reserves	3,249	1,374	(315)	4,307

2014

Car park reserve	43	-	-	43
Recreation facilities	863	80	(30)	914
Development works	1,713	254	(60)	1,907
Social infrastructure reserve	104	24	-	127
Storm water management	73	-	-	73
Closed landfill	-	72	-	72
Defined benefits	-	56	-	56
Capital works seed funding	-	56	-	56
Total statutory and other reserves	2,795	543	(90)	3,249

Car park reserve

The purpose of this reserve is to provide improved parking facilities in urban areas.

Recreation facilities reserve

The purpose of this reserve is to provide funding for recreational facilities. Funded from developer contributions this reserve requires that recreation facilities be established within the proximity of the relevant new subdivision.

Development works reserve

The purpose of this reserve is to provide improved facilities within the municipality, funded through funds allocated to the reserves by Council.

Social Infrastructure reserve

The purpose of this reserve is to provide funding for increased social infrastructure requirements arising out of new subdivisions and developments and is funded by a levy on developers.

Storm water management reserve

The purpose of this reserve is to provide funding for future storm water management works which will be required for future subdivisions at the western end of Holts Lane in Darley.

Closed landfill reserve

The purpose of this reserve is to provide funding for future site remediation works related to closed landfills within Moorabool Shire.

Defined benefits reserve

The purpose of this reserve is to provide funding for future liability calls related to the Defined Benefits Superannuation scheme.

Capital works seed funding reserve

The purpose of this reserve is to provide a funding platform for the planning and advancement of future Capital Works projects.

Capital works contributions reserve

The purpose of this reserve is to provide funding for future capital works, such as road works, associated with specific developments funded by contributions from the developer.

Developer contribution reserve

The purpose of this reserve is to provide funding for various agreed infrastructure requirements arising from new developments and is funded from developer contributions

	2015 \$'000	2014 \$'000
Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	7,684	1,654
Depreciation/amortisation	7,708	7,280
(Profit)/loss on disposal of property, infrastructure, plant and equipment	3,612	1,380
Contributions - non-monetary assets	(3,848)	(4,275)
Interest expense	777	852
Movement in receivables relating to asset sales	85	-
Work in progress from previous year expensed	7	12
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(430)	(232)
(Increase)/decrease in prepayments	(43)	18
(Increase)/decrease in accrued income	(140)	(10)
Increase/(decrease) in trade and other payables	(2,696)	3
(Increase)/decrease in inventories	(4)	1,198
Increase in provisions	296	453
Net cash provided by/(used in) operating activities	13,008	8,334
Note 29 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 16)	12,173	9,576
Less bank overdraft	-	-
	12,173	9,576
Note 30 Financing arrangements		
Bank overdraft	750	750
Used facilities	-	-
Unused facilities	750	750

Note 31 Commitments

The Council has entered into the following commitments

2015	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage Collection	1,923	2,005	2,027	-	5,954
Recycling	452	473	1,015	-	1,941
Leisure facilities	447	478	-	-	925
Maintenance services	217	138	94	-	449
Consultancies	404	-	-	-	404
Cleaning contracts for Council buildings	105	-	-	-	105
	3,547	3,094	3,135	-	9,777
Capital					
Plant replacement	190	-	-	-	190
	190	-	-	-	190
Total	3,737	3,094	3,135	-	9,966

2014	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage Collection	1,844	1,923	4,032	-	7,798
Recycling	432	452	1,488	-	2,372
Leisure facilities	462	-	-	-	462
Maintenance services	149	125	2	-	276
Consultancies	79	137	-	-	216
Cleaning contracts for Council buildings	105	105	-	-	209
Local advertising	23	23	8	-	54
Home care services	23	-	-	-	23
Meals for delivery	21	-	-	-	21
Banking and bill payment services	20	-	-	-	20
	3,157	2,764	5,530	-	11,451
Capital					
Plant replacement	168	-	-	-	168
	168	-	-	-	168
Total	3,325	2,764	5,530	-	11,619

Note 32 Operating leases

	2015 \$'000	2014 \$'000
(a) 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	159	276
Later than one year and not later than five years	121	240
Later than five years	-	-
	279	516

Note 33 **Contingent liabilities and contingent assets**

Contingent liabilities

- Council has a bank guarantee to the value of \$15,000 in favour of the Department of Environment and Primary Industries. This guarantee is for an extractive mining licence in relation to the Allen's Gravel Pit.
- Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Funding arrangements

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

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

Net investment returns	7.5% p.a.
Salary information	4.25% p.a.
Price inflation (CPI)	2.75% p.a.

Vision Super has advised that the actual VBI at 30 June 2015 was 105.8%.

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

Employer contributions

Regular contributions:

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Moorabool Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

Funding calls

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

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

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

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

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

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

Latest actuarial investigation surplus amounts

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

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

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

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

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

Guarantees for loans to

- Council was listed as Guarantor to a loan to the Bacchus Marsh Montessori Pre School Inc. which was originally drawn down on 29 June 2001 for \$170,000. The loan was fully paid out on 29 April 2015 and there is no redraw facility.

Contingent assets

- Subdivision developments expected to be accounted for by Council in 2015/2016 total \$4.500 million (actual 2014/2015 \$3.848 million).

Note 34 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

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 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 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 33, 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 26.

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

Note 34 Financial instruments (cont.)

e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.5%.

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.

Note 35 Related party transactions

(i) Responsible persons

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

Councillors Councillor Paul Tatchell (Mayor)
Councillor Allan Comrie
Councillor Tonia Dudzik
Councillor David Edwards
Councillor John Spain
Councillor Tom Sullivan
Councillor Pat Toohey

Chief Executive Officer Rob Croxford

(ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
<\$20,000	-	-
\$20,000 - \$29,999	6	5
\$40,000 - \$49,999	-	1
\$70,000 - \$79,999	1	1
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	1	-
	8	8

	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to	469	437

(iii) Senior Officers Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$136,000 (2014 - \$133,000)

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

Income Range:	2015 No.	2014 No.
<\$136,000	2	-
\$140,000 - \$149,999	-	3
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	-
	5	4

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	650	598

(iv) Responsible persons retirement benefits

No retirement benefits have been made by the Council to a Responsible Person.

(v) Loans to responsible persons

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year.

Note 35 Related party transactions (cont.)

(vi) Transactions with responsible persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

Responsible Person / Related Party	2015 \$'000	2014 \$'000
The Moorabool News (Ballan News Pty Ltd)		
- Sale of goods and services	45	56

Moorabool Shire utilises services provided by the Moorabool News Pty Ltd. A public sector tender process was undertaken for the provision of media services and a contract is in place between the two entities. All transactions entered into between the two entities are in accordance with the terms and conditions of the contract.

Note 36 Events occurring after balance date

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

Certification of the Financial Statements 2014/15

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.

Steven Ivelja CPA
Principal Accounting Officer

Dated: 9 September 2015
Darley

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

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

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

Tonia Dudzik
Councillor

Dated: 9 September 2015
Darley

John Spain
Councillor

Dated: 9 September 2015
Darley

Rob Croxford
Chief Executive Officer

Dated: 9 September 2015
Darley

7.2 Adoption “in principle” of the 2014/15 Performance Statement for submission to the Victorian Auditor-General for certification

Introduction

File No.: 02/02/002
Author: Natalie Abbott
General Manager: Satwinder Sandhu

Background

The 2014/15 Performance Statement has been prepared to meet the requirements of the *Local Government Act* 1989 and the *Local Government (Planning and Reporting) Regulations* 2014 for adoption in principle by Council for submission to the Auditor-General for certification.

Legislation was introduced in early 2014 which set up the requirement for councils to report on their performance through their annual report to their community.

Pursuant to Section 131(4) of the *Local Government Act* 1989, the performance statement in the annual report must

- (a) contain the following
 - (i) for the services funded in the budget for the financial year reported on, the prescribed indicators of service performance required by the regulations to be reported against in the performance statement and the prescribed measures relating to those indicators;
 - (ii) the prescribed indicators of financial performance and the prescribed measures relating to those indicators;
 - (iii) the prescribed indicators of sustainable capacity performance and the prescribed measures relating to those indicators;
 - (iv) results achieved for that financial year in relation to those performance indicators and measures referred to in subparagraphs (i), (ii) and (iii);
 - (v) any other information required by the regulations; and
- (b) be prepared in accordance with the regulations.

Proposal

In accordance with Council's governance protocols, the Performance Statement will be presented to Council's Audit and Risk Committee on Wednesday 9 September 2015 for review and recommendation to Council for adoption in principle and authorisation for two Councillors, being the Councillor members of the Audit Committee, and the Chief Executive Officer to sign the audited statements.

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 for the 2014/15 year.

Overall there are 30 performance indicators that have been mandated for an independent audit. Of these indicators six (6) relate to sustainable capacity, twelve (12) relate to service performance and twelve (12) relate to financial performance. It is important to note that an indicator pertaining to Economic development activity - change in the number of businesses in the municipality was revoked this year as a mandatory measure by Local Government Victoria and as such is not being reported on for 2014/15.

The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the performance statement, which have been provided where applicable as appropriate in this first year of reporting under the new Local Government Performance Reporting Framework.

Being the first year of reporting under the new framework, the performance indicator results for 2014/15 form the baseline for annual reporting going forward. As such there are no previous key performance indicator benchmarks for comparison this year to identify any material variations.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 3 June 2015 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term.

In relation to the financial performance Indicators, some of the major trends include;

- E1 Efficiency Revenue level in 2014/15 average residential rates per residential property assessments amounted to \$1,390. The forward outlook for future years will be impacted by the State Governments rate capping proposal and the calculation basis used for calculating rate revenue in future years.
- L1 Liquidity / Working Capital in the 2014/15 year, Council's working capital ratio of 183.45% is high compared to previous years indicating a high level of liquidity. This has been favourably impacted by the early payment of Financial Assistance Grants in 2014/15 in addition to a decrease in Trade and other payables as compared to previous years. The forward outlook for working capital indicates that this ratio is likely to increase over the next 4 years. This is predominantly due to the MAV bond issuance, which will require council to set aside cash on an annual basis in reserve to discharge the debt facility at the end of the bond term.
- L2 Unrestricted cash unrestricted cash levels are at 52.50% as at 30 June 2015, which indicates that council would not have enough cash to discharge all of its current liabilities if it were required to do so as at balance date. The forward outlook from the Strategic Financial Plan indicates an improvement in unrestricted cash levels in the future. This is due to an improvement in the forward outlook for financial sustainability in addition to the need to set aside cash on an annual basis to discharge its long term bond obligations.

- **O1 Asset Renewal** the 4 year outlook for asset renewal expenditure indicates that assets are forecast to depreciate at a rate greater than they are being renewed in each of the 4 years in the forward outlook. This is in part impacted by the need for new Infrastructure projects in the next 4 years to cater for a growing population and also partly reflects the financial challenges the shire faces in managing a large infrastructure base with a limited financial capacity. Under a rate capping environment, the Asset renewal ratio has the potential to decline further.
- **O2 Loans and Borrowings** as the 30 June 2015, loans and borrowings were 43.54% of rate revenue. Due to the need to expand and invest in Infrastructure over the next 4 years, loans and borrowings will increase over time but will not exceed 60% in any single year in the 4 year outlook. The proposed level of loan borrowings is scheduled to remain comfortably with prudential limits and external benchmarks set down by the State.
- **OP1 Operating position adjusted underlying result** the adjusted underlying surplus of -0.43% represents a close to break-even result for the 2014/15 financial year. The result was favourably impacted by the early payment of 2015/16 Financial Assistance grants in the 2014/15 year and resulted in smaller deficit than would have occurred if not for the early receipt of FADs. The forward outlook for the adjusted underlying result indicates a gradual improvement over time notwithstanding the impact of a major revaluation of Infrastructure assets forecast in 2017. Under the State Governments proposed rate capping model, future deficits have the potential to be significantly larger.
- **S1 Rates Concentration - Council rates compared to adjusted underlying revenue** was 66.36% in the 2014/15 financial year. The Strategic Financial plan forecast a greater reliance on council rates into the future. This has the potential to be the cause of concern for council going forward as the State Government's rate capping proposal will place a cap on the level of rate revenue that Council can generate into the future. If at the same time, Federal and State Governments withdraw or reduce financial support for councils (for e.g. as indicated by the freezing of Financial Assistance Grants) Moorabool will face a considerable restriction on its ability to generate revenue growth needed to provide services and infrastructure to the community.

Policy Implications

The 2013 - 2017 Council Plan provides as follows:

Key Result Area	Representation and Leadership of our community
Objective	Good governance through open and transparent processes and strong accountability to the community.

Strategy

Ensure policies and good governance are in accordance with legislative requirements and best practice.

The proposal to present the 2014/15 Performance Statement to Council is consistent with the 2013-2017 Council Plan.

Financial Implications

There are no financial implications from this report. The preparation and presentation of the 2014/15 Performance Statement has been performed within the allocated budget.

Risk & Occupational Health & Safety Issues

Risk Identifier	Detail of Risk	Risk Rating	Control/s
Inadequate performance by Council	Inability to meet attainable levels of performance	Medium	Systems, processes and measures to provide comprehensive performance information that meets the needs of a number of audiences

Communications Strategy

The Performance Statement will be presented to the Victorian Auditor General's Office for review and certification. The Performance Statement will form part of the Council's Annual Report which will be lodged with the Minister for Local Government prior to 30 September 2015. The Annual Report will be made publically available on Council's website and at all office locations early in October 2015.

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council, the officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

General Manager – Satwinder Sandhu

In providing this advice to Council as the General Manager, I have no interests to disclose in this report.

Author – Natalie Abbott

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

The 2014/15 Performance Statement has been prepared to meet the requirements of the *Local Government Act* 1989 and the *Local Government (Planning and Reporting) Regulations* 2014 for adoption in principle by Council for submission to the Auditor-General for certification.

At the time of printing this document, Council's Performance Statement was included on the Agenda for consideration at the Audit and Risk Committee Meeting on Wednesday 9 September 2015, with a recommendation that the Audit and Risk Committee recommend that Council adopts the statement in principle.

Following a resolution, the Performance Statement will then be submitted to the Auditor-General for certification. Council is also required to authorise two Councillors to sign the Performance Statement on behalf of Council, as required under the *Local Government Act* 1989.

It is practice for the Councillor members of the Audit and Risk Committee to sign the certified statements on behalf of Council.

Recommendation:

That Council, in accordance with S. 132 of the *Local Government Act* 1989:

- 1. adopts 'in principle' the 2014/15 Performance Statement and submits the Performance Statement to the Victorian Auditor-General for certification; and**
- 2. authorises the Council's Audit and Risk Committee Representatives, Cr. Spain and Cr. Dudzik, to certify the 2014/15 Performance Statement in its final form, after any changes recommended, or agreed to by the Auditor, have been made.**

Report Authorisation

Authorised by:



Name: Satwinder Sandhu
Title: General Manager Growth and Development
Date: Friday 2 September, 2015

Attachment - Item 7.2

Description of Municipality

Moorabool Shire is a fast growing semi-rural municipality nestled between Melbourne, Geelong and Ballarat. Moorabool's eastern boundary is located just 40km west of Melbourne's CBD and extends westwards to the City of Ballarat municipal boundary. The Shire straddles Victoria's Western Highway and has excellent transport access to Melbourne, Ballarat and Geelong.

Spanning more than 2,110 square kilometres, Moorabool is made up of 64 localities, hamlets and towns. More than 74% of the Shire comprises of water catchments, state forests and national parks.

The population of Moorabool Shire in 2015 is 30,926. More than half the population lives in Bacchus Marsh and surrounds (18,247). The Shire's second largest population can be found in and around Ballan (2,985). The remaining population is distributed throughout the large number of small towns, hamlets and farming areas within the Shire.

The population of the Shire is estimated to increase by 72% between 2015 and 2041 to 54,418. The majority of growth during this period will come from the new estates in Maddingley which are forecast to increase by over 174% during this same period.

2014-15 Performance Statement

Sustainable Capacity Indicators - for the year ended 30 June 2015

LGV Ref	Indicator/measure	Results 2015	Comments
C1	Population Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$1,352.32	No comments
C2	Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$12,782.93	No comments
C3	Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	21.48	No comments
C4	Own-source revenue Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$903.51	No comments
C5	Recurrent grants Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$431.03	No comments
C6	Disadvantage Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	8.00	No comments

Sustainable Capacity Indicators – Definitions

adjusted underlying revenue means total income other than

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

infrastructure means non-current property, plant and equipment excluding land.

local road means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.

population means the resident population estimated by council

own-source revenue means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).

relative socio-economic disadvantage, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA.

SEIFA means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website.

unrestricted cash means all cash and cash equivalents other than restricted cash.

2014-15 Performance Statement

Service Performance Indicators - for the year ended 30 June 2015

LGV Ref	Service/indicator/measure	Results 2015	Comments
AF6	Aquatic Facilities Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	0.28	No comments
AM4	Animal Management Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0.00	There were no animal management prosecutions for the year
FS4	Food Safety Health and safety Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	88.89%	No comments
G5	Governance Satisfaction 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]</i>	50.00	No comments
HC6	Home and Community Care (HACC) Participation Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	121.13%	No comments
HC7	Participation Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i>	72.41%	No comments
LB4	Libraries Participation Active library members <i>[Number of active library members / Municipal population] x100</i>	12.32%	No comments

2014-15 Performance Statement

MC4	Maternal and Child Health (MCH) Participation Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	81.99%	No comments
MC5	Participation 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</i>	78.00%	No comments
R5	Roads Satisfaction Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	43.00	No comments
SP4	Statutory Planning Decision making Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	88.89%	No comments
WC5	Waste Collection Waste diversion Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	33.44%	No comments

Service Performance Indicators - Definitions

Aboriginal child means a child who is an Aboriginal person.

Aboriginal person has the same meaning as in the Aboriginal Heritage Act 2006.

active library member means a member of a library who has borrowed a book from the library.

annual report means an annual report prepared by a council under sections 131, 132 and 133 of the Act.

class 1 food premises means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act.

class 2 food premises means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act.

Community Care Common Standards means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth.

critical non-compliance outcome notification means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health.

food premises has the same meaning as in the Food Act 1984.

HACC program means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth.

HACC service means home help, personal care or community respite provided under the HACC program.

local road means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.

major non-compliance outcome notification means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.

MCH means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.

population means the resident population estimated by council.

target population has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth.

WorkSafe reportable aquatic facility safety incident means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

2014-15 Performance Statement



Financial Performance Indicators - for the year ended 30 June 2015

LGV Ref	Dimension/indicator/measure	Results 2015	Forecasts 2016	2017	2018	2019	Material Variations
E1	Efficiency Revenue level Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1.39	\$1.42	\$1.47	\$1.52	\$1.57	No material variations
E2	Expenditure level Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$2.67	\$2.62	\$2.73	\$2.76	\$2.80	No material variations
E3	Workforce turnover Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	8.89%	8.76%	8.70%	8.62%	8.53%	No material variations
L1	Liquidity Working capital Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	183.45%	174.37%	192.33%	222.51%	247.24%	Working Capital is high compared to prior years. This has been favourably impacted by the early payment of 2015/16 Financial Assistance Grants and the impact of uncompleted projects and capital works at the end of the financial year. The forward outlook for working capital indicates that this ratio is likely to increase over the next 4 years.

2014-15 Performance Statement



L2	Unrestricted cash Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	52.20%	82.79%	105.04%	135.48%	164.05%	The forward outlook for unrestricted cash indicates an improvement in unrestricted cash levels into the future. This is due in part to a gradual improvement in the forward outlook for financial sustainability in addition to the need to set aside cash on an annual basis to discharge its future bond obligations.
O1	Obligations Asset renewal Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	99.79%	77.38%	73.71%	74.82%	76.11%	The forward outlook for Asset Renewal indicates that assets are forecast to depreciate at a rate greater than they are being renewed in each of the 4 years in the forward outlook. This is impacted by the need to cater for new Infrastructure projects in the next 4 years to cater for a growing population.
O2	Loans and borrowings Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	43.54%	51.67%	58.03%	59.43%	58.20%	Loans and borrowings are forecast to increase over the next 4 years as a result of the need to expand and invest in Infrastructure for a growing population but is not expected to exceed 60% in any single year.
O3	Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	8.84%	8.00%	7.71%	7.17%	6.06%	No material variations

2014-15 Performance Statement



O4	Indebtedness Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	41.11%	46.73%	53.19%	55.33%	54.26%	No material variations
OP1	Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>	-0.43%	-1.22%	-5.33%	-2.76%	-1.18%	The Adjusted underlying result was favourably impacted by the early payment of the 2015/16 Financial Assistance Grants and resulted in a smaller deficit than would have otherwise occurred. Notwithstanding, the adjusted underlying result is forecast to gradually improve over time.
S1	Stability Rates concentration Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	66.36%	69.72%	71.71%	71.68%	71.66%	The Strategic Financial Plan forecasts a greater reliance on council rates into the future. The Strategic Financial Plan anticipates Federal and State Governments to slow the rate of growth of financial support for councils into the future.
S2	Rates effort Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.36%	0.37%	0.38%	0.40%	0.41%	No material variations

2014-15 Performance Statement



Financial Performance Indicators – Definitions

adjusted underlying revenue means total income other than

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

adjusted underlying surplus (or deficit) means adjusted underlying revenue less total expenditure

asset renewal expenditure means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

current assets has the same meaning as in the AAS.

current liabilities has the same meaning as in the AAS.

non-current assets means all assets other than current assets.

non-current liabilities means all liabilities other than current liabilities.

non-recurrent grant means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan.

own-source revenue means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).

population means the resident population estimated by council.

rate revenue means revenue from general rates, municipal charges, service rates and service charges.

recurrent grant means a grant other than a non-recurrent grant.

residential rates means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.

restricted cash means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.

unrestricted cash means all cash and cash equivalents other than restricted cash.

Other Information

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 year 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, which have been provided where applicable as appropriate in this first year of reporting under the new Local Government Performance Reporting Framework.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 3 June 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

2014-15 Performance Statement



Certification of the Performance Statement

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

Steven Ivelja CPA
Principal Accounting Officer
Dated: 9 September 2015

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

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

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

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

Tonia Dudzik
Councillor
Dated: 9 September 2015

John Spain
Councillor
Dated: 9 September 2015

Rob Croxford
Chief Executive Officer
Dated: 9 September 2015

7.3 2014/2015 Governance and Management Checklist

Introduction

File No.: 02/06/011
Author: Natalie Abbott
General Manager: Satwinder Sandhu

Background

The 2014/2015 Governance and Management Checklist (Checklist) is a component of the new Local Government Performance Reporting Framework (LGPRF) and is a requirement of Section 131(3) of the *Local Government Act 1989* and Regulation 12 of the *Local Government (Planning and Reporting) Regulations 2014*.

Section 131(3)(ii) provides that Council must contain in its report of operations the results, in the prescribed form, of the Council's assessment against the prescribed governance and management checklist and indicators. The checklist is then certified by the Mayor and Chief Executive Officer.

Proposal

The Governance and Management Checklist contains 24 items relating to Council plans, policies, strategies, frameworks and reporting. This checklist is reviewed by the Chief Executive Officer and presented to both the Audit and Risk Committee and Council for adoption prior to its incorporation into Council's 2014/15 Annual Report and submission to Local Government Victoria and published on the newly established *My Council*' website.

Overall, from the 24 listed items on the Checklist, 22 items are established and in operation, with the remaining 2 items in progress. These items currently in progress relate to a Business Continuity Plan and Disaster Recovery Plan with both plans expected to be finalised in December 2015.

Policy Implications

The 2013-2017 Council Plan provides as follows:

Key Result Area	Representation and Leadership of Our Community
Objective	Good governance through open and transparent processes and strong accountability to the community.
Strategy	Ensure policies and good governance are in accordance with legislative requirements and best practice.

The Governance and Management Checklist is consistent with the 2013-2017 Council Plan.

Financial Implications

There are no financial implications relating to the 2014/2015 Governance and Management Checklist.

Communications Strategy

The Governance and Management Checklist will be published in Council's Annual Report and available for review on the Local Government Victoria *My Council* website.

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council the briefing officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

General Manager Satwinder Sandhu

In providing this advice to Council as the Manager, I have no interests to disclose in this report.

Author Natalie Abbott

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

The Governance and Management Checklist has been prepared and certified by the Mayor and Chief Executive Officer in accordance with *Local Government Act* 1989.

Council's Audit and Risk Committee has reviewed the Checklist and recommends that Council adopts the Governance and Management Checklist, prior to its submission to the 2014/15 Annual Report and submission to Local Government Victoria for publication on the *My Council* website.

Recommendation:

That Council adopts the 2014/2015 Governance and Management Checklist for submission to the 2014/15 Annual Report and submission to Local Government Victoria for publication on the "My Council" website.

Report Authorisation

Authorised by:



Name: Satwinder Sandhu

Title: General Manager Growth and Development

Date: Friday 2 September, 2015

Attachment - Item 7.3

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

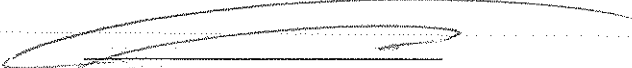
Column 1 Governance and Management Items	Column 2 Assessment
1 Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Date of operation of current policy: <input checked="" type="checkbox"/> 5/09/2012
2 Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of Operation of current guidelines: <input checked="" type="checkbox"/> 19/06/2013
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act <input checked="" type="checkbox"/> Date of adoption: 19/06/2013
4 Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act <input checked="" type="checkbox"/> Date of adoption: 3/06/2015
5 Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans <input checked="" type="checkbox"/> Date of operation of current plans: Road Asset Management Plan - 5/06/2013 Buildings & Structures Asset Management Plan - 3/12/2014 Drainage Asset Management Plan - 3/12/2014 Recreation & Open Space Asset Management Plan - 3/12/2014

Column 1 Governance and Management Items	Column 2 Assessment
6 Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy <input checked="" type="checkbox"/> Date of operation of current strategy: 21/05/2014
7 Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 12/12/2013
8 Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 1/08/2014
9 Municipal Emergency Management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> <input checked="" type="checkbox"/> Date of preparation: 20/03/2014
10 Procurement Policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> <input checked="" type="checkbox"/> Date of approval: 3/06/2015
11 Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	No current plan in operation <input type="checkbox"/> Reason: The development of Council's Business Continuity Plan is in progress and will be completed in 2015/16.
12 Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	No current plan in operation <input type="checkbox"/> Reason: The organisation is currently conducting the Business Impact Analysis. The IT department has developed procedures in place for recovery of business systems and data in the event of disaster.

Column 1 Governance and Management Items	Column 2 Assessment
13 Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework <input checked="" type="checkbox"/> Date of operation of current framework: 25/03/2015
14 Audit Committee (Advisory Committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act <input checked="" type="checkbox"/> Date of establishment: 23/03/2004
15 Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged <input checked="" type="checkbox"/> Date of engagement: 1/07/2010
16 Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework <input checked="" type="checkbox"/> Date of operation of current framework: 1/07/2014
17 Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current Reports <input checked="" type="checkbox"/> Date reports presented: Quarter 1 - 5/11/2014, Quarter 2 - 4/02/2015, Quarter 3 - 6/05/2015 and Quarter 4 – 5/08/2015
18 Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act <input checked="" type="checkbox"/> Date statements presented: Quarter 1 - 5/11/2014, Quarter 2 - 4/02/2015, Quarter 3 - 6/05/2015 and Quarter 4 – 09/09/2015


Column 1 Governance and Management Items	Column 2 Assessment
19 Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports <input checked="" type="checkbox"/> Date of reports: 26/02/2015 and 19/08/2015
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Quarterly Reports <input checked="" type="checkbox"/> Date of reports: Quarter 1 - 26/11/2014, Quarter 2 26/02/2015, Quarter 3 - 27/05/2015 and Quarter 4 - 19/08/2015
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the Act <input checked="" type="checkbox"/> Date statements presented: 15/10/2014
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act <input checked="" type="checkbox"/> Date reviewed: 16/10/2013
23 Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act <input checked="" type="checkbox"/> Date of review: 5/12/2012, 4/09/2013 and 2/07/2014
24 Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act <input checked="" type="checkbox"/> Date local law made: 3/06/2009

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


Rob Croxford

Chief Executive Officer

Dated: 27/8/2015


Cr Paul Tatchell

Mayor

Dated: 27/8/15

8. FURTHER BUSINESS AS ADMITTED BY UNANIMOUS RESOLUTION OF COUNCIL

9. CLOSED SESSION OF THE MEETING TO THE PUBLIC**Recommendation:**

That pursuant to the provisions of the Local Government Act 1989, the meeting now be closed to members of the public to enable the meeting to discuss matters, which the Council may, pursuant to the provisions of Section 89(2) of the Local Government Act 1989 (the Act) resolve to be considered in Closed Session, being a matter contemplated by Section 89(2) of the Act, as follows:

- (a) personnel matters;**
- (b) the personal hardship of any resident or ratepayer;**
- (c) industrial matters;**
- (d) contractual matters;**
- (e) proposed developments;**
- (f) legal advice;**
- (g) matters affecting the security of Council property;**
- (h) any other matter which the Council or special committee considers would prejudice the Council or any person;**
- (i) a resolution to close the meeting to members of the public**

10. MEETING CLOSURE