



HUME CITY COUNCIL **ANNUAL REPORT** 2013–2014

Incorporating:

- Standard Statements
- Financial Statements
- Performance Statements

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Hume City Council

Annual Report 2013–2014

Hume City Council Customer Service Centres

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A message from the Mayor and Chief Executive Officer

At Hume City Council, we have a strong reputation for the pursuit of excellence in local government, and we are proud of our track record in delivering a wide range of services and programs for our community.

It is with great pleasure that we present the Hume City Council Annual Report for 2013/14, highlighting our key milestones and achievements for the year.

This report also contains key corporate governance information and details our statutory and financial performance including feedback received through our Community Satisfaction Survey.

The report has been prepared in accordance with the *Local Government Act 1989* and lists financial results for the period of 1 July 2013 to 30 June 2014.

In the past financial year, we have continued to plan for the future.

We delivered two important strategic documents – our long-term Community Plan – *Hume Horizons 2040* – and our updated *Hume City Council Plan 2013-2017* including actions for 2014/15.

These plans outline how we will continue to work closely with our community.

One of our foremost challenges is meeting our community's ever-changing needs and expectations.

That is why we continue to deliver a wide range of services and programs that are critical to people at all stages of life.

Highlights for 2013/14 covered in the Annual Report include:

- Facilitation of the opening of the \$330 million Craigieburn Central Shopping Centre, delivering the main street, surrounding roads and associated intersections;
- Opening of the Northern section of Aitken Boulevard from Craigieburn Road to Mt Ridley Road;
- The development of *Together 3047* - a new project to counter disadvantage in southern Hume;
- Opening of the \$4.6 million Broadmeadows Community Hub;
- Development of our Multicultural Action Plan;

- National recognition for our libraries and learning centres;
- Redevelopment of the Broadmeadows Leisure Centre;
- Construction of the Newbury Child and Community Centre and Hume Regional Tennis and Community Centre; and
- The successful Craigieburn Jobs Fair.

Sunbury Project

In February 2014, the Victorian State Government announced the establishment of a Local Government Panel tasked with advising on the most effective way for Sunbury to separate from Hume City Council.

We provided input to the Local Government Panel to assist them in their difficult task. Council maintained a neutral position through this with the constant being that there should be a fair and balanced outcome for both communities.

In order to achieve this it is paramount that there is an appropriate and equitable method for the division and distribution of assets and liabilities with regards to sustainability and economic development objectives.

Council also made a formal submission to the Panel in April 2014 that outlined nine recommendations for consideration as part of the panel's deliberations.

This process attracted speculation in the media and generated community conversation, particularly for people living and working in the Sunbury area. However, we remained neutral throughout this and focused on business as usual, delivering a high level of service, planning for the future and supporting the whole of the Hume community.

The panel submitted its recommendations to the Minister for Local Government, the Hon. Tim Bull on 30 June 2014.

Supporting our community in times of emergency

On 8 February 2014, our community was threatened by the devastating effects of fire – particularly in Mickleham, Craigieburn and Sunbury.

It was a difficult time for those who lost homes, property, livestock or valuable personal possessions and we appreciated the dedicated work of our emergency services and volunteers who helped to protect our community.

We supported our emergency services during the incident and our community throughout recovery.

The incident was a reminder that we all need to be continually vigilant about the fire risk to our community.

While we live in an area where we enjoy the benefits of open spaces and grasslands, the risk of fire emergency is real. As a community, we need to work together to reduce this risk in the future.


Advocating for our community

We have a strong commitment to improving the way we deliver services to our community and we continue to advocate on behalf of our residents and businesses on key issues that matter to them.

We continued to advocate to the State and Federal governments for funding for key projects and programs.

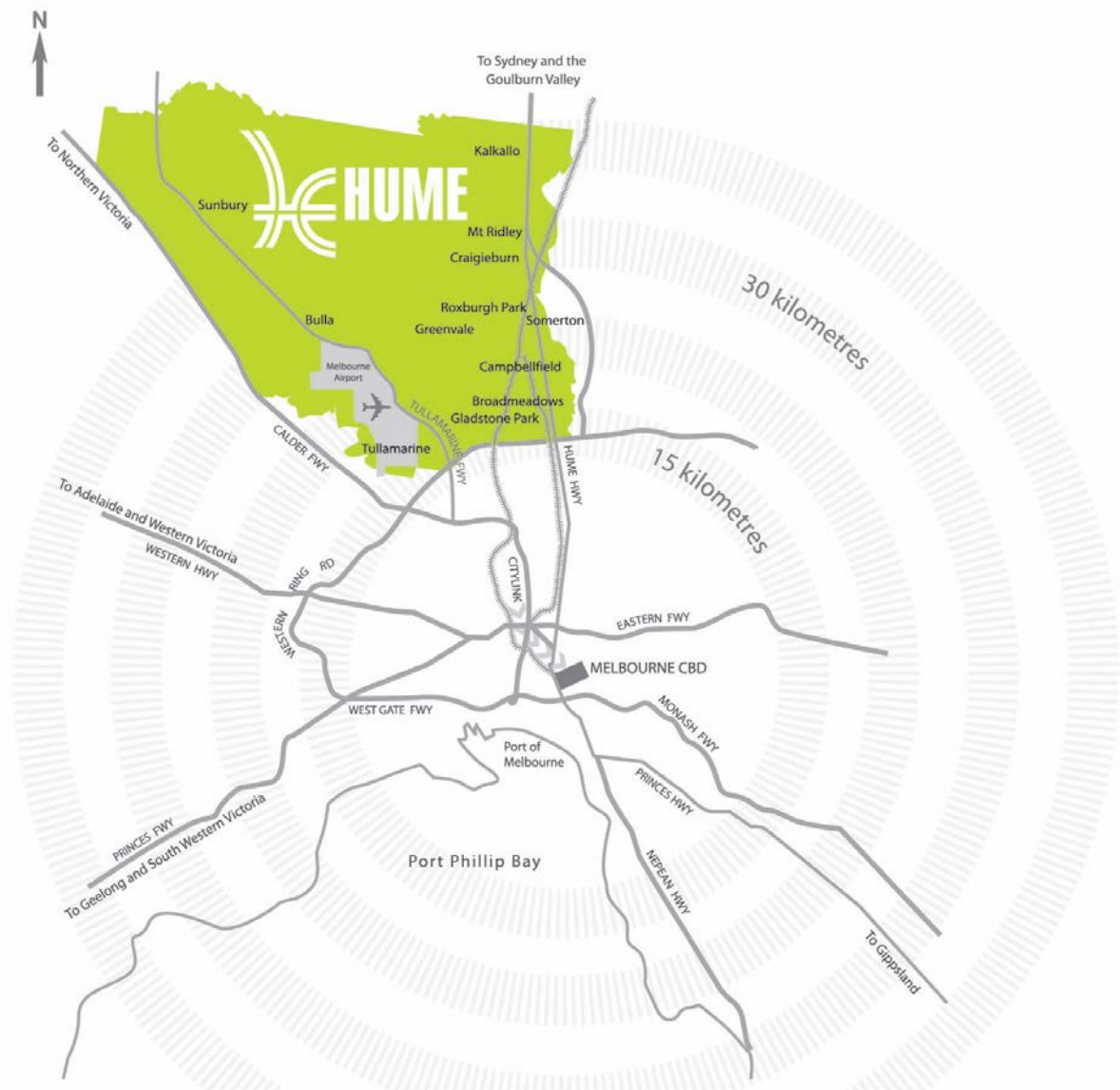
We also continue to engage with people of all ages and backgrounds through a wide range of programs and forums and use the data collected to ensure our Council Plan reflects the goals and aspirations of our community, now and into the future.

On a final note, we wish to thank Councillors, members of our community and council officers who have all contributed to making the City of Hume a great place to live and work.



Cr Casey Nunn
Mayor

Domenic Isola
Chief Executive Officer



Hume City Profile

Location

Located just 15 kilometres north of Melbourne, Hume City is one of the fastest growing and most culturally-diverse communities in Australia.

Spanning a total area of 504 square kilometres, it is built around the suburbs of Broadmeadows, Tullamarine and Gladstone Park in the south, the residential suburbs of Craigieburn, Greenvale and Roxburgh Park in the north-east and Sunbury in the north-west.

The municipality is made up of a mix of contrasts including new and established residential areas, major industrial and

commercial precincts and vast expanses of rural areas.

The Melbourne International Airport accounts for 10 per cent of the total area of Hume City.

Hume City is home to major road transit routes including the Tullamarine Freeway, Western Ring Road, Hume Highway and the Craigieburn Bypass.

Hume is bound by the local government areas of Moreland, Whittlesea, Brimbank, Macedon Ranges, Melton and Mitchell.

History

Hume City has a long, rich and significant past that stretches back more than 40,000 years

when the Gunung-Willam-Balluk first inhabited the region.

About 10 years after Hamilton Hume and William Hovell explored the area in 1824 – 1825, the first Europeans settled along the Maribyrnong River, Jacksons Creek and Deep Creek waterways.

Hume is also home to some of Victoria's most significant landmarks including Rupertswood Mansion and Emu Bottom Homestead in Sunbury and the historic Maygar Barracks in Broadmeadows – the training base for our troops during World War I.



Hume City Council was formally created on 15 December 1994 to incorporate the Shire of Bulla, most of the City of Broadmeadows, a section of the City of Whittlesea along Merri Creek and a north east section of the (former) City of Keilor.

Hume is a place of great contrasts – in geography, economy, background and cultural diversity.

Hume City today

Home to 186,000 residents in 2014, Hume City's population is expected to grow to 345,000 by the year 2040.

Hume residents come from more than 160 different countries and speak over 140 languages – each week, 30 new migrants move into Hume City.

In comparison to metropolitan Melbourne, Hume City residents are relatively younger in age, and there is a higher proportion of 'family households'.

Much of this can be attributed to the important role Hume City plays within the Melbourne housing market. The area is known for its affordable home ownership opportunities, attracting existing and prospective families.

In the five years between 2006 and 2011, almost 28,500 new residents moved to Hume. In this period, Moreland City Council was the largest contributor of new residents from within Australia – about 4,300 moved into Hume from Moreland.

This was followed by almost 2,300 residents who moved to Hume from interstate and almost 5,800 residents who came from Whittlesea, Moonee Valley, Darebin and Brimbank.

From outside Australia, some 8,900 residents moved from overseas and chose to call Hume home.

Hume receives about four per cent of metropolitan Melbourne's total migration intake, and 17 per cent of metropolitan Melbourne's humanitarian intake stream.

In 2012/13, Hume City Council received 2,806 birth notifications and 2,893 in 2013/14.

With a population of just 93,000 in 1988, the area now known as Hume City has developed into one of the fastest and largest growth municipalities in Melbourne.

Council Values, Vision and Mission



We Value

Our Citizens

We will promote democratic representation and genuinely engage our citizens to promote a sense of belonging within a healthy, safe, strong and diverse community.

We will lead the way to identify community needs and best practice service delivery models and advocate for an integrated approach to service provisions.

Our services and facilities will be of a high quality and we will pursue efficiency and continuous improvement through customer focus and innovation.

Our Staff

We will demonstrate this by encouraging, supporting and developing our employees to achieve service excellence and a sense of unity, pride and fulfillment.

Our Partnerships

We will work together to achieve the equitable provision of services and infrastructure to meet current and future community needs.

VISION

■ OUR VISION

Hume City Council will be recognised as a leader in achieving social, environmental and economic outcomes with a common goal of connecting our proud community and celebrating the diversity of Hume.

■ OUR MISSION

To enhance the social, economic and environmental prosperity of our community through vision, leadership, excellence and inclusion.

■ OUR PRINCIPLES

As indicated in the Council Plan 2013-2017, Council's activities are in line with the principles of social justice, partnerships, financial accountability and transparency, economic prosperity and environmental sustainability.





Hume City Councillors (L-R): Councillors Geoff Porter, Jack Medcraft, Victor Dougall, Helen Patsikatheodorou, Drew Jessop, Casey Nunn (Mayor), Alan Bolton, Adem Atmaca (Deputy Mayor), Ann Potter, Jack Ogilvie and Chandra Bamunusinghe.

Hume City Councillors

Hume City Council is represented by 11 democratically elected councillors.

All councillors served the second year of a four-year term, after being elected to represent the wards of Aitken, Jacksons Creek and Meadow Valley in late 2012.

This ward structure was a result of an Electoral Representation Review, which was undertaken by the Victorian Electoral Commission.

The recommendations of the review were approved by the State Minister for Local Government in June 2012.

The electoral representation review is a requirement of the *Local Government Act 1989* (the Act). Under the Act, the Council must conduct an electoral representation review every eight years.

Aitken Ward

Includes the suburbs of Campbellfield, Craigieburn, Fawkner, Greenvale (north of Somerton Road), Mickleham, Oaklands Junction (south of Deep Creek), Roxburgh Park, Somerton, Yuroke and Kalkallo.

- **Cr Casey Nunn (Mayor):** Youth, Sport and Recreation.
- **Cr Chandra Bamunusinghe:** Safety and Traffic;
- **Cr Alan Bolton:** Finance, Learning, Infrastructure and Capital Works;
- **Cr Drew Jessop:** Finance and Environment.

Jacksons Creek Ward

Includes suburbs of Bulla, Clarkefield (part of), Diggers Rest (part of), Keilor (part of), Oaklands Junction (north of Deep Creek), Sunbury, Tullamarine and Wildwood as well as the Melbourne International Airport.

- **Cr Jack Medcraft:** Waste and Litter Management, Youth, Sport and Recreation;
- **Cr Jack Ogilvie:** Strategic Planning;
- **Cr Ann Potter:** Arts and Culture.

Meadow Valley Ward

Includes suburbs of Attwood, Broadmeadows, Coolaroo, Dallas, Gladstone Park, Greenvale (south of Somerton Road), Jacana, Meadow Heights and Westmeadows.

- **Cr Adem Atmaca (Deputy Mayor):** Statutory Planning and Economic Development;
- **Cr Victor Dougall:** Safety and Traffic;
- **Cr Helen Patsikatheodorou:** Human Services;
- **Cr Geoff Porter:** Communications and Learning.

Organisational Structure as at 30 June 2014





Executive Management Team (L-R Standing): Kelvin Walsh, Kylie Ezzy and Steve Crawley;
(L-R Sitting) Daryl Whitfort, Domenic Isola and Margarita Caddick

Executive Management Team

Council's organisational structure is based on five divisions that collectively manage and coordinate the full range of activities and services to the Hume community. Each division is headed by a Director who reports directly to the Chief Executive Officer.

Domenic Isola **Chief Executive Officer**

As CEO, Domenic is responsible for the day-to-day running of Hume City Council and, in particular, implementing Council decisions, providing timely advice to Council and achieving Council's goals in accordance with the Council Plan and approved budget.

Domenic joined Hume City Council in 1999 as Finance Manager, before being appointed as Director City Governance and Information for four years. He was appointed Chief Executive Officer in 2007.

He holds a Bachelor of Business (Accounting), is a Fellow Certified Practising Accountant and a Graduate of the Australian Institute of Company Directors.

Margarita Caddick **Director, City Communities**

As Director, City Communities, Margarita is responsible for advocacy, planning and provision of support services to enhance community wellbeing, promoting healthy living and providing opportunities for residents to participate in the life of the City.

Margarita has more than 30 years of social development experience in the public sector including leadership roles in local government and Academia. Margarita returned to Hume City Council as Director in 2011, having been Manager Community Planning and Development from 2000 to 2002. She holds a Master of Arts (Social Policy and Social Research Methods), a Bachelor of Business (Local Government) and certification to practice as a Municipal Clerk.

Daryl Whitfort **Director, City Governance and Information**

As Director, City Governance and Information, Daryl is responsible for managing corporate support and governance to ensure compliance with corporate business obligations.

Daryl joined Hume City Council in 1999 as Management Accounting Coordinator, then Manager Finance in 2002, before being appointed as the Director City Governance and Information in 2007. Daryl has also worked at Melton, Moonee Valley and Moorabool Councils. Prior to that, he worked for the Alpine Resorts Commission and Melbourne Water. Daryl holds a Master of Business Administration and a Bachelor of Business.

Steve Crawley
Director, City Infrastructure

As Director, City Infrastructure, Steve is responsible for the delivery of services that support users of Council's infrastructure. External services include roads and drainage, waste collection and management, street cleansing, design, management and construction of subdivisions, Council buildings, management of civil and traffic design requirements, parks and open space, building inspection and compliance, local laws and domestic animal management and cemetery operations.

Steve is also responsible for a range of internal services including maintenance of Council buildings, facilities, fleet vehicles and assets.

Steve has more than 40 years' experience as a civil engineer having worked in the private sector and 35 years' in Local Government. Steve is a chartered professional civil engineer and has post graduate qualifications in Municipal Engineering and Management.

He joined the Hume City Council in 2006 and became Director, City Infrastructure in 2008.

Kelvin Walsh
Director, City Sustainability

As Director, City Sustainability, Kelvin is responsible for Council's land use planning portfolio. He leads an integrated multidisciplinary division focused on sustainable development, fostering economic prosperity through investment attraction and business growth, facilitating development through statutory and strategic town planning functions, promoting urban design excellence, managing environmental and natural heritage planning and driving Council's sustainability agenda.

Kelvin has a strong planning and urban design background, with Bachelor degrees in both planning and architecture and a Master of Architecture and Urban Culture from Polytechnic University of Catalonia in Barcelona.

He joined Council in 2011 and his previous role was Director Planning Services with the ACT Planning and Land Authority. Prior to that Kelvin worked in the private sector in Asia, the Middle East and in local and state government in Australia.

Kylie Ezzy
Director, Organisation and Community Learning

As Director, Organisation and Community Learning, Kylie is responsible for leading Council's corporate planning and decision making processes, reviews of Council services and community engagement and consultation.

Kylie is also responsible for communication and the promotion of Council and the City, recruiting, training and supporting Council's 1,500 staff and operating six libraries and a range of learning programs and learning centres.

Kylie joined Hume City Council in 2004 as the Manager Marketing and Communications before being appointed as the Director Organisation and Community Learning in 2010.

A highly-qualified professional, Kylie has also had a career in the Queensland State Government and private sector and holds a Bachelor of Visual Arts and a Masters in Communications.

Council Management Team



City Communities

Director, Margarita Caddick

The City Communities division advocates, plans and provides support, services and programs for a wide range of Hume residents.

This includes support for people with a disability and the elderly, learning opportunities for children attending preschools and childcare centres and support for families through the Maternal and Child Health service.

The division also provides a range of programs for Hume's diverse multicultural and indigenous communities.

It offers access to health and immunisation services and a wide range of programs that serve to enhance and promote social justice in our community.

Aged Services & Public Health

Manager, Hector Gaston

The Aged Services and Public Health department is responsible for the provision of aged care services and in-house support services to residents living with a disability, respite care services, immunisation and promotion of public health.

Aged and Disability Services provides social support, home help, personal care, delivered meals, community recreation programs and community transport to assist frail, aged and disabled residents.

The Public Health team ensures compliance with public health standards and performs a number of statutory duties, including inspecting food premises to maintain environmental standards in accordance with the *Health and Wellbeing Act and the Food Act*.

Family & Children's Services

Manager, Lisa Letic

The Family and Children's Services department provides, plans and advocates for the delivery of high quality, affordable and accessible services to families and their children across Hume.

Services included preschool, childcare, occasional care, vacation care, out of school hours care, maternal and child health and parenting support programs.

The department also supports children with additional needs to ensure inclusion and participation in a range of children's services.

Social Development

Manager, Felicity Leahy

Social Development is responsible for strategic social planning that identifies future facilities to accommodate a wide range of community services including Council-provided services and those provided by other levels of government and agencies.

Social Development assists with forward planning for human services and initiatives that support, enhance and promote social inclusion, community development and citizen engagement.

The department achieves this by implementing the Social Justice Charter and associated action plans, arts and cultural development, community safety strategies and community renewal and community place based projects.

Social Development supports a network of 11 Neighbourhood Houses and creates opportunities for community engagement through the Broadmeadows Community Hub.



City Sustainability Director, Kelvin Walsh

City Sustainability provides services to all residents by ensuring that development carried out in Hume is timely, appropriate, affordable and effective by working with the community on plans for the future.

It provides services to those wanting to buy or develop property. The division services businesses, retail areas and industries in Hume by supporting networks and providing training opportunities.

It provides support to unemployed local residents offering a range of employment and training programs. The local and natural environment is an area that Council also services, through a range of environmental activities and education.

Economic Development Manager, George Osborne

Economic Development provides direction, support and facilitates a strong economic future for Hume, in partnership with business, investors and the local community.

The department coordinates networking events and training sessions for small to medium enterprises, as well as programs to assist long-term unemployed people to get back into the workforce and has a strong tourism focus, supporting and encouraging tourism within the City.

Statutory Planning Manager, John Karageorge

Statutory Planning assesses and approves appropriate development for Hume in accordance with the Hume Planning Scheme and the Planning and Environment Act. The department assessed 809 planning applications in the past financial year, comprising a mixture of industrial, residential and commercial development and new residential subdivisions.

In addition, the department is responsible for town planning enforcement and ensuring that all approved development is carried out in accordance with the approved permits and the Hume Planning Scheme.

Strategic Planning Manager, Michael Sharp

Strategic Planning works with land developers, State Government departments and agencies to plan for the timely provision of available land,

services and infrastructure in new and existing communities.

The department plans and facilitates the development of new residential neighbourhoods and business parks, employment areas and activity centres and facilitates the provision of sustainable transport options.

Sustainable Environment Manager, Bernadette Thomas

Sustainable Environment works with, supports and encourages the community to adopt sustainable practices.

The department offers incentives and advice to rural landholders including assistance in managing properties sustainably; environmental assessments and advice on proposed developments; monitoring and reporting on the state of the environment; implementing water and energy conservation measures; and supporting environmental champions and community environmental programs that protect and enhance our natural environment.

Urban Places Manager, Greg McLaren

Urban Places facilitates development of high quality, well connected and sustainable urban areas and promotes the transformation of the Broadmeadows Metropolitan Activity Centre as Melbourne's Capital of the North.



City Governance and Information

Director, Daryl Whitfort

City Governance and Information provides services to the Hume community through customer service centres and call centres.

The division serves the community through the sound financial management of Council funds, ensuring that projects, infrastructure and services are available for and provided to the community.

It also supports residents in the community who had access to the internet via the provision of online services and organises citizenship ceremonies for new residents.

The division provides a vital service to the community in relation to ensuring Council adheres to sound governance practices. All sectors of the community were serviced by the division's risk and insurance management.

Corporate Services Manager, Gavan O'Keefe

The Corporate Services department ensures Council complied with its statutory and governance obligations and provides a range of other administrative services including management of the risk and insurance portfolios.

The department facilitates Council meetings, citizenship ceremonies, ward meetings, cemetery administration support and maintains the records of Council including Council and committee minutes.

Customer Service Manager, Jo McCray

The Customer Service department manages Council's Customer Service Centres in Broadmeadows, Craigieburn and Sunbury, each with call centre functionality.

In 2013/14, Council's Customer Service staff responded to almost 200,000 enquiries – 153,283 telephone calls, 42,861 face-to-face visits and 3,160 emails from the community.

Finance & Property Development Manager, Fadi Srour

The Finance and Property Development department provides financial-based services to both internal and external customers.

This includes the management of Council's finances, payment of salaries and wages to employees, procurement of services, levying and collection of rates from almost 70,000 ratepayers and the collection of user fees and charges.

The department is also responsible for managing Council's property portfolio, including property leases and licences, sales and acquisitions, road closures, development of property and the biannual revaluation of properties throughout the municipality.

Information Services Manager, Yuri Guzman

Information Services supports and maintains Council's computer and information systems network across 68 interconnected staff sites throughout Hume.

It also supports provision of internet access to library members and WiFi access at libraries, youth centres and learning centres.



Organisation and Community Learning **Director, Kylie Ezzy**

The Organisation and Community Learning division is responsible for guiding the communications that happen between Council and the community and other stakeholders including developing a range of printed and online communications.

The division provides community engagement opportunities and the provision of a range of festivals and events throughout the year.

It operates six libraries and a range of learning programs and learning centres for residents, and supports the activities of the Hume Global Learning Village.

The division is responsible for recruiting, training and supporting Council's 1,500 staff and for directing and guiding organisational planning and development.

It provides research and statistical analysis for Council departments and coordinates the development and reporting of the *Hume Horizons 2040* long-term community plan and the Council Plan.

Learning Community **Manager, Marea Ekladious**

This department delivers a range of programs to residents through the six branches of Hume Libraries, the Hume Global Learning Centres and Roxburgh Park Learning and Community Centre and supports and promotes the delivery of learning programs by other providers.

In conjunction with the community, the department facilitates events and programs that support lifelong learning. It also manages the activities of the Hume Global Learning Village, a network of more than 700 learning and education organisations and providers.

Marketing & Communications** **Manager, Louise McFarlane**

Marketing and Communications raises awareness of Council services, programs and initiatives through a range of printed, online and digital external communications activities and supports the organisation through internal communications. The department organises major events and festivals throughout the City including the Hume Festival of Music, Broadmeadows Fiesta, Hume Carols by Candlelight and the Craigieburn Community Festival.

Human Resources **Manager, Sue Haviland**

Human Resources supports the organisation in the management of its 1,500 Council staff. Activities undertaken in 2013/14 included training and development, staff reward and recognition, occupational health and safety, industrial relations and recruitment.

Organisational Performance & Engagement* **Manager, Joel Farrell**

Organisational Performance and Engagement coordinates the Community Plan and Council Plan process.

The department is responsible for undertaking research and community consultation and engagement activities to identify community needs, expectations and aspirations.

The department undertakes analysis of residents to monitor population trends; providing evidence and analysis for future service planning.

*The Organisational Performance & Engagement Department was created in August 2013, merging the Organisation Planning and Improvement and Research Departments.

**Management of Council's internet and intranet was transferred to the Marketing and Communications Department in August 2013.



City Infrastructure Director, Steve Crawley

The City Infrastructure division manages and maintains Council's assets. The Capital Works program involves the design, construction and maintenance of Hume's infrastructure including roads, drains, footpaths, buildings, parks and natural assets.

City amenity services includes management of Sunbury Landfill and the Resource Recovery Centre, collection of waste and recyclables and maintaining the appearance of the City. The division maintains Council's fleet, plant and equipment and checks, approves and supervises new subdivisions.

The division provides building management and local laws services, manages three leisure centres and provides planning for open space and recreation facilities. The division provides programs at four youth centres and manages parks, bushland and trees.

Infrastructure Planning Manager, John Monaghan

This department is responsible for management of proposed infrastructure for major projects such as the Merrifield and Lockerbie developments, Craigieburn Town Centre, Broadmeadows Central Activities Area, major land development and civil and community infrastructure. Other responsibilities include managing Council's Sunbury Landfill and Resource Recovery Centres.

Leisure & Youth Services Manager, Bruce Fordham

This department is responsible for planning and developing recreation facilities including planning for new facilities, redeveloping existing facilities, ground allocations and liaising with sporting clubs. It manages three leisure centres and is actively involved in direct programs.

Youth Services manages youth facilities and is responsible for service planning and coordination across Hume. There were a number of key programs delivered for young people including HYART, FreeZA, Moving Forward and holiday programs in 2013/14.

Parks & Open Space Manager, Jason Summers

This department manages playgrounds and maintains Hume's 1,500 hectares of open space including an AFL-standard facility and premier league soccer facility, 56 sports fields, high quality parks and gardens and 250 playgrounds.

The department manages more than 100 conservation sites and wetlands, 135,000 street trees, 30,000 reserve trees, and mows 239 kilometres of rural roadside for fire prevention.

Capital Works Manager, Michael Wardlaw

This department is responsible for the development and implementation of the annual Capital Works Program.

It supervises Council's tendering procurement and construction and project management of Council's infrastructure works.

The program includes a range of projects related to roads, footpaths, drains, buildings, streetscape improvements, car parks, recreation and sporting facilities, parks and reserves and shopping centres.

Subdivisions Manager, John Davis

The Subdivisions department approves and supervises the construction of subdivision applications for road, drainage, landscape and open space infrastructure, along with major arterial roads constructed as part of subdivisional development.

Services

Manager, Danny Eaton

This department maintains Council's municipal fire prevention and emergency management plans and provides support to emergency services. It is responsible for enforcement of the Building Act and regulations through the Building Control Services team.

City Laws is authorised under legislation to provide education, enforcement and information to the community. Technical Services is responsible for compliance with the Road Management Act. Property Services is responsible for the maintenance of 234 facilities and manages street lighting. Public Works provides local roads, bridges, signage and general amenity programs, while Hume Fleet manages 600 items of fleet, plant and equipment. Waste and cleansing services manages waste, organics and litter bin collection, street sweeping and drainage maintenance.

Engineering & Assets

Manager, David Fricke

This department manages Council assets and local roads, bridges, drains, footpaths and buildings. It delivers design and tender documentation for new roads, road reconstructions, car parks, traffic management treatments, drainage works, new footpath and streetscape works and undertakes Local Area Traffic Management Studies and implements Council's Road Safety Plan and provides traffic management.

Council staff as at 30 June 2014			
Department	F	M	Total
CEO OFFICE	2	2	4
FULL-TIME EMPLOYEE	2	2	4
CITY COMMUNITIES	486	29	515
CASUAL EMPLOYEE	44		44
CASUAL POOL (EBA 5)	4		4
FULL-TIME EMPLOYEE	112	13	125
PART-TIME EMPLOYEE	289	15	304
TEMP FULL-TIME	19	1	20
TEMP PART-TIME	18		18
CITY GOVERNANCE & INFO.	73	48	121
CASUAL EMPLOYEE	2		2
FULL-TIME EMPLOYEE	33	38	71
PART-TIME EMPLOYEE	28	2	30
TEMP FULL-TIME	2	6	8
TEMP PART-TIME	8	2	10
CITY INFRASTRUCTURE	282	317	599
CASUAL EMPLOYEE	118	47	165
CASUAL POOL (EBA 5)	8	13	21
FULL-TIME EMPLOYEE	48	217	265
PART-TIME EMPLOYEE	96	30	126
TEMP FULL-TIME	7	8	15
TEMP PART-TIME	5	2	7
CITY SUSTAINABILITY	54	29	83
CASUAL EMPLOYEE	2		2
CASUAL POOL (EBA 5)	1		1
FULL-TIME EMPLOYEE	35	25	60
PART-TIME EMPLOYEE	6	1	7
TEMP FULL-TIME	4		4
TEMP PART-TIME	6	3	9
ORG & COMM LEARNING	136	38	174
CASUAL EMPLOYEE	36	15	51
CASUAL POOL (EBA 5)		1	1
FULL-TIME EMPLOYEE	48	16	64
PART-TIME EMPLOYEE	42	5	47
TEMP FULL-TIME	5		5
TEMP PART-TIME	5	1	6
Grand Total	1033	463	1496



2013-2014: The year in review

Hume City Council's 2013/14 Annual Report highlights the significant achievements, milestones and challenges that have been reached for our community during the year.

Election of the Mayor and Deputy Mayor

Aitken Ward Councillor Casey Nunn was nominated to represent Hume City as Mayor at the Statutory Meeting of Council on 31 October 2013.

In accepting the role as Hume's youngest Mayor, Councillor Nunn said her priorities for the year would be to support projects and initiatives that would enable Council to continue to improve community health; campaign for the duplication of some of Hume's major roads; provide strategies to reduce litter and dumped rubbish; inspire young people to be more active in civic life; and advocate to reduce unemployment in Hume.

Meadow Valley Ward Councillor Adem Atmaca was nominated as Deputy Mayor.

Sunbury Project

In May 2013, the Victorian State Government announced that Hume residents would be able to vote on whether Sunbury should separate from Hume City and form a new Council.

A poll was conducted in October 2013. Out of the 118,708 Hume residents who were eligible to vote, 60,576 voted with 59% supporting the separation.

In February 2014, the then Minister for Local Government, the Hon. Jeanette Powell MP, announced that a Local Government Panel would be established to advise the most effective way of Sunbury separating from Hume City Council.

The panel consisted of Brian Haratsis (Panel Chair), Kelvin Spiller and Maxine Cooper and provided recommendations to the Minister by its deadline of 30 June 2014.

The Minister also announced the establishment of a Community Consultative Committee to help advise the panel throughout the process.

Council provided a submission to the panel outlining its position on this significant matter.

It also voted to provide nine formal recommendations as part of its submission to the panel and these included:

1. That the boundary for Sunbury will be in accordance with the boundary that the Sunbury Vote was taken;
2. That the Panel ensures the appropriate distribution of assets and liabilities to both a restructured Hume City Council and Sunbury so as not to disadvantage the communities and all stakeholders of the City;
3. That a restructured Hume City Council retain the Hume City Council name

and brand should Sunbury secede from Hume;

4. That Council, as democratically elected in 2012, remains and sees out the full Council term until 29 October 2016;
5. That the Panel ensures the appropriate distribution of staffing to both Hume and Sunbury so as not to disadvantage the communities and the staff and all stakeholders of the City;
6. That the Panel determines a rating outcome with no material differences to the estimates included in the information to assist residents in making an informed decision when the vote was undertaken in October 2013;
7. That the costs of Separation of Sunbury from Hume City Council be borne by the State Government or the new Sunbury Shire Council;
8. Hume City Council's cost of undertaking the work required to assist and respond to requests of the Panel and the Sunbury Project that culminated in the two KPMG Reports be reimbursed to Hume City Council as part of the separation costs;
9. That the Minister for Local Government in conjunction with the Panel to have ongoing discussions and briefings with Council to enable the Chief Executive Officer the opportunity to brief staff, the unions and stakeholders on this matter and the progress through the Panel; and to work with all groups and stakeholders to ensure proper continuation of services to the community.

The overall position of Council is that it is proud of its strong record in delivering programs, services and projects and

advocating for the whole Hume community

Delivering a long-term Community Plan: *Hume Horizons 2040*

Council delivered its long-term Community Plan in June 2014.

Hume Horizons 2040 is our community's vision for the future and captures the hopes, dreams and aspirations of our growing City, ensuring we are planning for generations of new residents to come.

The plan was developed through extensive community consultation and outlines where our community wants to be in the future, bringing together the collective ideas of residents, businesses, service providers, councillors and Council staff.

It will guide Council in how it plans and delivers services, and works with other organisations to deliver the community's priorities and aspirations.

More than 800 participants were engaged in the first phase of consultation and provided more than 4,000 comments through a variety of consultation activities.

Hume Horizons 2040 includes five key themes and strategic objectives including:

- A well-educated and employed community;
- A healthy and safe community;
- A culturally vibrant and connected community;
- A sustainably built and well-maintained City with an environmentally engaged community; and
- A well-governed and engaged community.

Hume Horizons 2040 will help Council to continue to be a liveable and prosperous City, planning for generations of new residents to come.

Hume City Council Plan 2013-2017 (2014/15 Actions)

In line with the long-term strategic direction and objectives of *Hume Horizons 2040*, Council delivered an updated *Hume City Council Plan 2013-2017* in June 2014.

The plan incorporated actions outlined for 2014/15 and a Strategic Resource Plan.

Council is required under the *Local Government Act 1989* to prepare and approve a Council Plan within the period of six months after each general election.

One of the challenges presented in the development of the plan was managing expectations in light of the Victorian State Government's decision to separate the township of Sunbury from Hume.

Council accepted this decision and provided information to assist the Victorian State Government in undertaking this process.

This presented a complex challenge in order to ensure that our community, stakeholders and businesses were not disadvantaged as a result of the separation.

During this period of change, Hume City Council's commitment to the whole of the Hume community and its workforce remained the same as we continued to deliver a high level of service.

Community Satisfaction Survey

More than 570 residents took part in the 2013/14 Community Satisfaction Survey.

The survey explored residents' views on what could be improved within their neighbourhood and the municipality as a whole, along

with identifying longer-term priorities.

Residents indicated that within the last 12 months, the direction of Council's overall performance had remained the same, with the majority of participants (68.9%) indicating there was either 'Not much' or 'A little' room for improvement in Council's overall performance in the next 12 months.

Advocating for the community

Hume City Council continued to take a leading role in advocating to the State and Federal governments.

As part of Council's advocacy efforts, 38 grant applications were submitted in 2013/14. Of these, 27 successful grants were announced for total funding of \$6.78 million.

We joined seven neighbouring municipalities to call on the State and Federal government to fund shortfalls in key infrastructure projects.

This collaboration resulted in the production of the *Northern Horizons* report, which was commissioned to provide a comprehensive regional analysis of infrastructure in Melbourne's north and identifies priorities over the next five to 50 years.

Key local advocacy projects include the development of the Bulla Bypass; duplication of a number of arterial roads; increased parking and improved bus services to Craigieburn Train Station; implementation of rapid transit bus services; and new train stations at Sunbury South, Lockersburg and Sunbury North.

Council also advocated for other key projects including:

- Upgrades to key community infrastructure to improve Civic Pride and Hume's appearance;

- Better integrated transport planning including an Airport Rail Link, widening of the Tullamarine Freeway, Outer Metropolitan Ring Road and Bulla Bypass;
- Funding for facilities such as the Hume Regional Aquatic and Leisure Centre;
- Improvements to public transport services;
- Community consultation as Melbourne Airport expands, particularly on the alignment of any proposed new runway; and
- Lobbying through the Municipal Association Victoria and State Government about the uncertain funding to retain 15 hours of preschool beyond 2015.

Kyabram St Place of Worship

Council received a planning permit application for a place of worship in Coolaroo.

Throughout the year, Council worked in accordance with the Hume Planning Scheme and Victorian planning guidelines, assessed the application and provided a recommendation for Council consideration.

Councillors considered the report in line with Council's Social Justice Charter and the views of community members. When making its decision, Council considered the perspectives of all relevant stakeholders, ensuring that the social aspects of the issue were understood and balanced for all parties.

Council's decision was to allow the place of worship to proceed. This decision went to the Victorian Civil and Administrative Tribunal (VCAT) who upheld Council's decision to allow the place of worship to be built at the site.

Council's Social Justice Charter seeks to advance a fair and just society and we were pleased with the VCAT decision that agreed with Council's judgement. Guided by the Charter, Council carefully considered both planning and social aspects of the issue before approving the development, and were commended by VCAT for its handling of the planning decision.

Together 3047

In May 2014, Council announced details of a three-year \$900,000 project to address disadvantage in the 3047 postcode area.

This new initiative – known as *Together 3047* – will offer a range of opportunities to deliver long-term, sustainable improvements.

It will include a range of projects to promote opportunities for local employment and training, and improvements to local streets and public spaces.

Together 3047 will be a neighbourhood-based program, developed in partnership with local residents and businesses.

Council will work with the community and stakeholders to ensure the project reflects our community's needs and identifies opportunities that contribute towards achieving sustainable change.

Planning for the future

Detailed planning and design commenced on a new Hume Regional Aquatic and Sports Complex in Craigieburn.

To be known as Craigieburn Park, the complex will provide aquatic facilities, parks and play spaces, and is expected to be completed by December 2016.

The project received a boost this year with a \$3 million funding

commitment from the Victorian Government.

The planning project 'Ageing in the Growth Corridors - Strengthening the HACC system in Hume City' was adopted by Council in June.

It addressed the development, delivery and funding of home and community-based services for older residents.

Hume City Council welcomed State Government funding of \$30,000 to advance planning for the development of community, arts and cultural facilities within the former Victoria University campus at Jacksons Hill, Sunbury.

Council also contributed \$50,000 towards this initiative, ensuring the community, arts and cultural needs of Sunbury's growing community are enhanced into the future.

In light of the Victorian Government decision to separate Sunbury from Hume City, the outcomes of the planning project will be subject to determination by a future Sunbury Council.

Health and Wellbeing Plan 2013–2017

Council's *Health and Wellbeing Plan 2013–2017* was adopted after extensive research and public consultation.

The plan aims to improve health and wellbeing for all; reduce health inequities; promote social justice; support environmental sustainability; acknowledge people's diversity; and build partnerships for health.

The plan also guides how Council will work with our partners and the community over the next four years to support and improve the health and wellbeing of our community.

Multicultural Action Plan

Council adopted a new Multicultural Action Plan and committed to actions to support Hume's multicultural community.

The plan aims to enhance cultural awareness and relationships in Hume through activities that foster community connections and celebrate cultural diversity.

It also seeks to improve the multicultural community's awareness and access to Council services, with specific strategies to address the needs of people from diverse backgrounds.

Building on Council's Social Justice Charter, it provides a whole-of-council approach and clear direction for the next four years.

A new regional town centre for Craigieburn

In October 2013, a major regional shopping and retail precinct commenced trading in Craigieburn, culminating in more than 20 years of strategic planning and development for the burgeoning suburb.

Council played a leading role in the development of the Craigieburn Town Centre – located on Craigieburn Road – which has provided a major boost to the local economy.

The \$330 million precinct provides new shopping, entertainment and community facilities and is home to more than 160 retailers including restaurants, a fresh food market, cinema complex, leisure and entertainment facilities.

Delivering major projects

In 2013/14, Council allocated \$56 million for the delivery of more than 200 capital works projects across our municipality.

As part of the regeneration of Broadmeadows Town Centre, improvements to the Broadmeadows Town Park commenced including enhancements from Pearcedale Parade to the edge of the existing circular path to create an iconic place which encourages recreation, education and entertainment, and will facilitate future events.

The northern section of Aitken Boulevard between Craigieburn Road and Mt Ridley Road was opened to motorists in October 2013. This vital road link will better connect Craigieburn residents, with shorter travel times and improved access.

Council partnered with LendLease, Stockland, PEET, VicRoads, government agencies and contractors to fund and deliver the above section of road that will be of great benefit to the community.

Upon completion, the Aitken Boulevard project will connect motorists from Mt Ridley Road to Somerton Road.

Construction of a new 50-metre pool and internal upgrade of the Broadmeadows Leisure Centre was on track for completion by late 2014.

Once complete, the \$13.7 million project will help to revitalise the facility and provide more opportunities for the community to get active and connected.

The project was delayed as a result of the construction company contracted to deliver the project being placed into administration in October 2013.

Construction of the \$7 million Newbury Child and Community Centre continued and is scheduled for completion in late 2014. It will offer community meeting spaces, preschool programs, Maternal and Child

Health services, training and learning rooms and a toy library.

The Centre will be home to multi-functional rooms that will be able to support playgroups, planned activity groups and other community activities.

Work continued on the \$10 million transformation of John Ilhan Memorial Reserve as a key regional sporting facility.

The three-stage redevelopment reached a key milestone in December 2013 with the completion of the reserve's new sports pavilion.

The development caters for the growth of soccer in Hume and will foster and develop local talent. Two future stages of development, expected to be completed by 2018, will see extra upgrades to the original reserve pavilion and expansion of the reserve car park.

Construction of the Hume Regional Tennis and Community Centre is also well advanced and scheduled for completion in late 2014.

When complete, the centre will include 16 tennis courts, a pavilion, play space, walking paths, car parking and landscaping.

We welcome the input of Tennis Australia, Tennis Victoria and Stockland as partners in the delivery of this state-of-the-art sporting facility.

Broadmeadows Community Hub opened its doors in October 2013, providing residents access to a range of health, community, social and learning programs.

The \$4.6 million facility is a community resource for people of all ages, and is part of Council's vision to improve the opportunities for local residents.

Australia Day Awards

The 2014 *Hume Australia Day Awards* were held on 26 January 2014 and recognised outstanding individuals who go above and beyond to support others in our community.

Kevin O'Callaghan was named *Hume Citizen of the Year* for his more than 30 years of volunteer service as a founding member of the Craigieburn SES Unit, and participating in the Craigieburn Volunteer Ambulance Committee and the Craigieburn Anzac Day organising committee.

Aspiring Craigieburn boxer Michael Zerafa was named *2014 Hume Young Citizen of the Year* for dedicating his time to inspiring others to lead healthier lifestyles.

The *Sunbury Community Street Life* event was awarded the *2014 Hume Community Event of the Year* for involving traders and creating an opportunity to support a local charity.

National award for indigenous program

Hume City Council was one of six Councils to receive national recognition as part of the Federal Government's 2014 *National Awards for Local Government* in June 2014.

The *School Holiday Program for Indigenous Children with a Disability* received the 'Disability Access and Inclusion' category award.

The school holiday program was designed by Hume City Council and delivered in partnership with Northern Support Services.

The program included activities that are culturally-focused and mainstream community-based.

Craigieburn Jobs Fair - a resounding success

Council partnered with businesses and other local organisations to host the inaugural Craigieburn Jobs Fair in August 2013.

The event was a major success with more than 5,000 people attending the one-day community employment event.

There were 650 job vacancies on offer and 2,850 resumes were collected, with 329 job placements made.

Local businesses honoured at Hume Business Awards

A total of 22 local businesses from a range of industries were recognised across 14 categories at the Hume Business Awards in September 2013.

The awards reflected the strength of the Hume economy, despite a challenging local business environment.

Hume is a thriving business and employment hub, providing three percent of Victoria's gross domestic product.

Major community events

Council continued to deliver major events for residents.

More than 15,000 people attended Council's four major events in 2013/14 – the Hume Festival of Music, Broadmeadows Fiesta, Hume Carols by Candlelight and the Craigieburn Community Festival.

Australia's favourite library service

Following a nation-wide search, Hume Libraries was announced Australia's Favourite Library Service.

A campaign to find the most loved library service was run by the Australian Library and Information Association and Hume Libraries received over 30,000 votes.



Service Highlights

Council invested almost \$200 million to provide some 32 key services across Hume.

- In 2013/14, our Customer Service staff responded to almost 200,000 enquiries including 153,283 telephone calls, 42,861 face-to-face visits and 3,160 emails from the community.
- Total domestic kerbside waste was 62,100 tonnes comprising 39,400 tonnes garbage and 16,700 tonnes recyclables.
- An additional 6,000 tonnes of organic green waste was collected from Hume households.
- There were 8,890 registered Hard Rubbish collections – this equated to a total volume of 25,978 cubic metres of hard rubbish removed.
- Council provided 37,000 kilometres of roadside litter cleaning, 25,300 kilometres of mechanical street-sweeping and serviced 4,500 pits in underground drain cleaning.
- Around 24,000 square metres of graffiti from public areas was removed from across the City.
- A total of 6,065 street and reserve trees were planted in 2013/14.
- A 12 per cent reduction in potable water use was recorded in 2013/14 compared to 2012/13.
- Council's printing reduction campaign resulted in a 6 per cent reduction in total pages printed from March to June 2014.
- A total of 809 applications for Planning Permits were approved.
- In 2013/14, 60 subdivisions were processed.
- As at 30 June 2014, 186 clients were accessing the Preschool Field Officer Service, 72 per cent above projected targets.
- Council delivered 24,316 Key Age and Stage visits in 2013/14 through our Maternal and Child Health service.
- There were 527,000 visits to our libraries, with 992,000 items borrowed and a membership of 59.1 per cent.
- In 2013/14, 332 Food Safety Inspections were completed.
- In 2013/14, 5,509 participants attended Council learning programs, 27,768 participants attended Bilingual Storytime programs and 2,728 children participated in four year old preschool.
- Council Leisure Centre attendance by concession members for 2013/14 increased by 10.2 per cent to 151,116.



Measuring our performance

Hume Community Satisfaction Survey

Council undertakes an annual residents survey to measure satisfaction with services and facilities we provide.

The 2013/14 survey explored resident views on what could be improved, identifying future priorities for budget allocation.

This survey also explored resident's views on what could be improved in their local neighbourhood and the municipality as a whole.

Results from the survey inform Council's planning processes and strategy development.

The community survey collected three key indicators concerning community satisfaction with how Council is performing.

These three indicators are collected by all Councils in Victoria – either through their own community survey or by participating in the Victorian Department of Transport Planning and Local Infrastructure (DTPLI) Local

Government Community Satisfaction Survey.

Overall performance

Satisfaction with Council's performance remained steady, with a mean score of 3.3 out of 5.0.

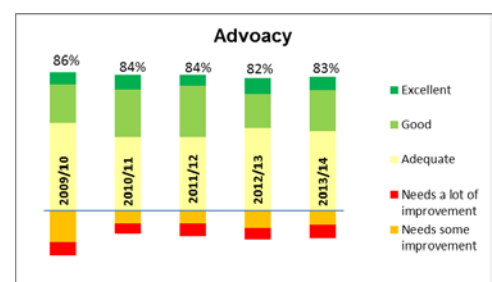
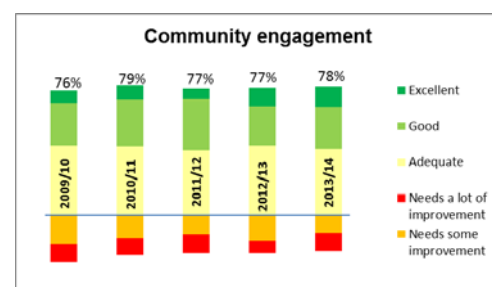
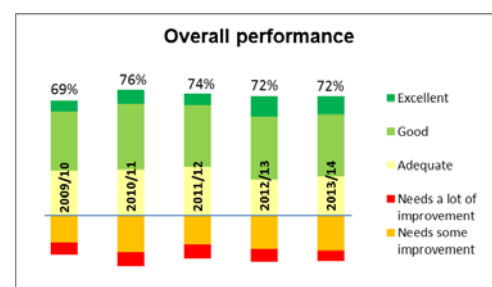
Addressing issues relating to traffic management and parking, cleanliness and appearance of public areas and improvements to road and drain networks were identified as key priorities.

Community satisfaction with how effectively Council engages with the community on key local issues requiring decisions, and the level of advocacy on key issues that affect the local community also remained consistent, both receiving a mean score of 3.2 out of 5.0.

As with local priorities, traffic and parking management was the main long-term priority for Council to address, followed by parks, gardens and our natural environment.

The survey feedback will be used to develop and implement

strategies, and ensure Council activities address community expectations and priorities.



Occupational Health and Safety Report

As with recent years, manual handling related injuries during 2013/14 have been the most commonly reported injuries (36 per cent), followed by injuries from slips, trips and falls (30 per cent) and then struck by or striking (11 per cent) related injuries.

Beyond these three incident causes, lacerations / sharps injuries (6 per cent) and psychological-related workplace injuries (5 per cent) were the other high level injury types.

The Lost Time Injury Frequency Rate (LTIFR) – which is the number of injuries resulting in one or more days lost as a result of injury - has increased to 34.7 in 2013/14 from 32.8 in 2012/13.

Also during 2013/14 there were 12 incidents that were notifiable to WorkSafe Victoria, compared with nine in 2012/13. One of these incidents was investigated by WorkSafe, but no improvement notice was issued, as the existing systems at the site were deemed by WorkSafe to be satisfactory.

There were three improvement notices issued by WorkSafe Victoria during 2013/14 and all items were closed out well before they were due.

A specific focus on incident investigation was initiated during the last year to better determine fundamental analysis of incidents and to ensure more effective corrective actions were implemented. The close out of

corrective actions continues to be monitored to achieve a 100 per cent close out.

In addition, Hume City Council has continued to maintain its AS/NZS 4801 OHS Management System certification and it is proposed to again expand the number of departments certified in the next year.

WorkCover Report

During the last 12 months there was a decrease of 280 lost days as a result of WorkCover and an increase of 10 standard and minor claims.

We are taking a more proactive and focused approach to WorkCover claims management by offering targeted training and increased information to all supervisors and managers to assist with early intervention and return to work for employees.

Some other initiatives being undertaken include:

- Development of more detailed information around the physical requirements of job roles and work instructions;
- Greater engagement with local medical practitioners to achieve early return to work for injured workers;
- Increased education, training and programs for all employees around injury prevention and health and well-being.

Learning and development

In 2013/14, we conducted a broad range of training programs including employee development and compliance programs. A total of 179 supervisors and managers attended leadership development programs during the last 12 months, to equip them with the capabilities to deal with complex employee relations issues.

The Passport to Work Program has been coordinated by Hume City Council for the last nine years.

Again in 2013/14 this program provided the opportunity for ten Council supervisors and managers to mentor long term unemployed Hume residents to equip them with the skills necessary to acquire worthwhile employment or to transition into tertiary education.

From this, 26 per cent of participants attained full-time ongoing employment outcomes, 17 per cent of participants attained casual or part-time employment and nine per cent of participants attained educational outcomes as a result of the program.

Council is working collaboratively with other organisations such as Nestle, National Australia Bank and Iron Mountain who have also provided employees to act as mentors for the program.



Reporting on Hume City Council Plan 2013-2017

Hume City Council launched its community plan, *Hume City Plan 2030* in 2004, and updated this plan in 2009.

The community plan forms the foundation of Council's corporate planning processes. The *Council Plan 2013-2017 (2013/14 Actions)* was based on the vision and aspirations outlined by our community in the *Hume City Plan 2030*.

As of 30 June 2014, Council had completed 103 of the 130 actions in the Council Plan (plus eight actions carried over from 2012/13). Of the remaining, significant progress had been made on 27 actions, there had been some progress on six actions and two were deferred.

In June 2014, Council adopted its new long-term community plan, *Hume Horizons 2040*, developed through extensive community consultation.

This Plan directly informs our Council Plan and our annual actions.

In June 2014, Council realigned and adopted a new *Council Plan 2013-2017 (2014/15 Actions)* based on *Hume Horizons 2040*.

We plan

We plan for the future by developing a four year Council Plan, which directly links to our community plan and is guided by comprehensive planning and research activities, feedback and meetings with the community.

The Council Plan that Council is reporting on in this Annual Report is the Council Plan 2013 – 2017 (2013/14 Actions).

Council also produces a Strategic Resource Plan, which is required under Section 126 of the *Local Government Act 1989*.

The four-year Strategic Resource Plan identifies the financial and non-financial resources required to accomplish objectives and strategies of the Council Plan within the triple bottom line principles of social equity,

economic prosperity and environmental sustainability.

We do

The Council Plan is operationalised through budgeted department plans annually. The plans outline actions Council will undertake to achieve our objectives.

We monitor

We monitor and report on our progress to Council throughout the year actions, indicators and advocacy outlined in the Council Plan. These reports are included in the Council meeting agenda and available on our website, communicating our progress and achievements.

We learn

By understanding our achievements and challenges, we learn and reflect on our performance and incorporate learnings in future planning. In September of each year, we produce this Annual Report including our audited financial statements.



1. Council Leadership

Accountable Leadership

Council Plan Action Highlights

- Council's long-term Community Plan - *Hume Horizons 2040* was adopted by Council in June 2014.
- We continued to expand our use of online communications tools with digital versions of documents being produced including *Hume Pride*, the Budget, Council Plan and key Council Strategies.
- The Business Continuity Plan was updated and the training exercise for the Business Continuity Plan was held on 30 June 2014.
- A total of 91 per cent of the annual Capital Works Program was delivered during 2013/14.
- Part of Council's Fees and Charges Setting Policy, a review of the total costs associated with all services that are able to apply fees

and charges was undertaken. The modified fee setting process was incorporated into budgets developed for 2014/15.

- Rollout of the new Electronic Document Record Management System was completed in April 2014. All staff with a requirement to interact with Council Records have been assigned a TRIM license and training is currently in progress.
- A new online recruitment portal was developed and implemented as part of the *Careers at Hume* website to facilitate improved recruitment practices within the organisation.

Indicator Highlights

- A total of 417 media stories mentioned Hume City Council in 2013/14. 242 (58 per cent) were positive, 125 (30 per cent) were neutral and 50 (12 per cent) were negative stories.
- In 2013/14, 63.3 per cent of correspondence has been responded to within

Council's *Service First* timeframes (10 days).

- There were 567,421 website visits recorded in 2013/14, a 1.42 per cent increase on site visits from 2012/13.
- Customer Service staff handled 153,283 telephone calls and 42,861 face to face visits in 2013/14.

Advocacy Highlights

- In 2013/14, 38 grant applications were submitted. Of these, 27 successful grants were announced for total funding of \$6.78m.
- Following the release of *Plan Melbourne*, Council is liaising with the Metropolitan Planning Authority regarding the Broadmeadows Metropolitan Activity Centre and the form and content of the Craigieburn North Precinct Structure Plan.



2. Prosperity of the City

Economy; Transport; Learning

Council Plan Action Highlights

- Delivery of the Investment Attraction Framework has supported enquiries for businesses looking to either expand or locate in Hume; potentially resulting in a further 2,000 jobs being generated for the City.
- The Road Management Plan (V5) was adopted by Council in December 2013. Smartphone and Tablet provision has been occurring, which will allow all Road Management Plan inspections to be recorded electronically commencing in July 2014.
- The Hume Multiversity initiative continued to grow with Kangan Institute and Deakin University delivering degree courses in Hume from March 2014.
- Major road works at Aitken Boulevard - Craigieburn Road to Marathon Boulevard section and

Konagaderra Road upgrade were completed.

- Council helped deliver a Middle Years conference in March and a forum on the Australian Early Development Index (AEDI) outcomes in June 2014.
- Local Area Traffic Management Plans for Broadmeadows South and Bulla/Wildwood were adopted by Council in May and June 2014.
- Upgrades to the Sunningdale Children's Services building and redevelopments at Bradford Avenue and Malcolm Creek Preschool were completed.
- The National Broadband Network connection went live in Gladstone Park in March 2014 and in Tullamarine in June 2014.

Indicator Highlights

- There were 60 Subdivisions approved in 2013/14 with 79 per cent processed within the timeframe.
- In 2013/14, 5,509 participants attended

Council learning programs, an increase of 14.1 per cent.

- In 2013/14, 809 planning applications were decided on, with 56.5 per cent within the timeframe.
- There were 27,768 participants that attended Bilingual Storytime programs, a 15.5 per cent increase on 2012/13.
- In 2013/14, 2,728 children participated in four year old preschool, an eight per cent increase compared to 2012/13.

Advocacy Highlights

- Council advocated for the Airport Rail Link and removal of Zone 2. The State Government recently committed to the Airport Rail Link and media coverage indicates the removal of Zone 2 will occur in 2015.
- Council supported the Department of State Development and Business Innovation to deliver a Jobs Fair at Ford Broadmeadows in April 2014 to support retrenched Ford workers.



3. Community Wellbeing

Social Inclusion; Health; Safety and Wellbeing; Arts; Leisure and Recreation

Council Plan Action Highlights

- Following final consultation, the *Multicultural Action Plan 2014-2018* was adopted by Council in April 2014.
- The strengthening Home and Community Care system capacity in Hume report titled *Ageing in the Growth Corridors* was adopted in June 2014.
- Council committed to providing \$90,000 per annum for the next three years to support the work of the Hubs in Southern Hume. This budget allocation forms part of Council's *Together 3047* initiative.
- The Municipal Fire Management Plan was reviewed by the MFMP Committee in April 2014. The plan was updated in June 2014 and will be audited in July 2014.
- A National Refugee Day event (Restoring Hope) was celebrated in June 2014 to acknowledge the richness and diversity refugees add to the Hume community.
- The Draft Hume Road Safety Action Plan was reported to a Council Meeting in May 2014 and then open for four weeks consultation.
- Stage one of the Regional Soccer facility is 90 per cent complete at John Ilhan Memorial Reserve. Upgrade works at the Broadmeadows Leisure Centre have recommenced. Completion is due in late 2014.
- The 2014 Arts Awards were presented in June 2014 and 40 applications were received with 12 awards / professional development grants presented.

Indicator Highlights

- As at 30 June 2014, 186 clients were accessing the Preschool Field Officer Service, 72 per cent above targets.

- There were 205 artists on Council's Arts Register, a 5 per cent increase on the previous year.
- Of the 332 Food Safety Inspections completed in 2013/14, 86 per cent have achieved Satisfactory Compliance.
- Council Leisure Centre attendance by concession members for 2013/14 increased by 10.2 per cent to 151,116.
- There were a total of 24,316 Key Age and Stage (KAS) Maternal and Child Health visits in 2013/14.

Advocacy Highlights

- In June 2014, Council was advised that it was successful with its \$350,000 application to DEECD to support expansion of the Homestead Children's Centre, Roxburgh Park.
- Council was advised that \$3 million in funding will be provided for the Hume Regional Aquatic and Sports Complex from Sport and Recreation Victoria.



4. Appearance of the City

Appearance of the City; Natural Environment

Council Plan Action Highlights

- Actions of the Litter Management Strategy included development of a bin placement strategy for parks and open spaces and completion of the 2013/14 Litter Bin Maintenance Program.
- The draft *Graffiti Management Strategy 2014-2017* was reviewed and is scheduled to be presented to Council in August 2014.
- To reduce the incidence of illegal rubbish dumping, a new Litter Officer position commenced in December 2013. There were 32 offenders identified through the use of cameras in 2013/14.
- There were 16 environmental champions that commenced training with nine projects being delivered as part of the

Hume Environmental Champions Program.

- The Sustainable Land Management Policy was updated and adopted by Council in March 2014. There are 280 applications currently being assessed for the Agricultural Land Use Rebate and inspections have commenced.
- As part of the Australian Government's Local Government Energy Efficiency Program, the hot water system at Broadmeadows Leisure Centre was replaced with a solar system in April 2014.
- Upgrade works to the leachate management system are complete and operational at Sunbury Landfill and Bolinda Road in Campbellfield.

Indicator Highlights

- There were 6,065 street and reserve trees were planted in 2013/14.
- Annual waste diversion targets at landfills have been exceeded by 5 per cent at

Bolinda Road and 7 per cent at Sunbury.

- A 12 per cent reduction in potable water use was recorded in 2013/14.
- Council's 'Hit Print? Rethink' campaign resulted in a 6 per cent reduction in pages printed from March to June 2014.
- There were 33.2 per cent of dwellings that accessed the Green Waste Service, an increase of 6 per cent in 2013/14.

Advocacy Highlights

- Funding from Melbourne Water was received and work will begin shortly on the extension of rain gardens at the HGLC-Craigieburn and at Highgate Recreation Reserve.
- Advocacy continues with VicRoads, M80 Alliance, Metro Trains, VicTrack and the Minister for Public Transport and Roads seeking assistance with graffiti removal, parking and amenity throughout the City.



Corporate Governance

Representing and engaging our growing community

Council is committed to visionary, strategic and accountable leadership and governance practices to create positive outcomes for the City and our community.

We engage with our community through informing and involving them in our plans, initiatives and activities, and this is paramount to empowering our community and developing partnerships and trust.

Representing and engaging the community is about enhancing community wellbeing to ensure our community is empowered and socially connected.

We are committed to providing opportunities where our community will experience equality and feel a deep sense of belonging, respect and community pride. The successes we have achieved during 2013/14 will enhance social outcomes and create a better future for our community.

These achievements are a direct result of the leadership role Council plays in representing and supporting our community and the positive relationships we have developed with our community and the State and Federal governments.

Council has undertaken many activities in the past 12 months to represent and engage our community.

Risk Management

Council has embedded a rigorous and effective risk management culture across the organisation through its risk management systems and accountabilities.

New members of staff are educated on risk management and fraud policies and procedures at induction.

Ongoing risk management training is provided to staff in workshops and using resource materials, including the Risk Management Manual, Policy and Framework.

Additionally, risk management accountabilities are included in all position descriptions and performance reviews for senior staff.

We are guided by our Risk Management Framework and Policy, using the processes set out in the Australian/New Zealand/International Standard: Risk Management AS/NZS ISO 31000:2009.

The Governance and Risk Management Committee and the Audit Committee both oversee the risk management activities of the organisation, ensuring appropriate mechanisms are in place and used to guard against and minimise loss and maximise opportunities.

Council's property insurer, Jardine Municipal Asset Protection Plan (JMAPP) conduct biennial risk audits on Council's property risk systems and processes. The most recent audit was conducted in December 2013 where council

received an audit score of 80 per cent, which compares to 86 per cent for the preceding audit. Rankings against both State and Regional councils are anticipated to be available during September 2014.

Review of Code of Conduct for Councillors

Under section 76C of the *Local Government Act 1989*, Council is required to review its Code of Conduct for Councillors within 12 months of a general election.

The Code of Conduct conveys principles as a means of promoting a common understanding amongst Councillors regarding the expectations of conduct when representing the Council and in their dealings with the community, council staff and one another.

A number of amendments in the Code of Conduct for Councillors - 2013 were required to incorporate changes to the *Local Government Act 1989* and associated local government guidelines, and to reflect current practice at Hume City Council.

Council's amended Code of Conduct for Councillors 2013 was presented to and adopted by Council at its meeting of 27 May 2013.

Review of General Local Law and Governance Local Law

Following a review of its existing Local Laws, Council released for public consultation its proposed Governance Local Law – 2013 and its Associated Codes and the General Local Law No. 1 – 2013 and its Associated Codes.

General Local Laws

- General Local Law No1 - 2013
- Domestic Waste Collection Code
- Clothing Recycle Bins Code of Practice

- Building and Works Code of Practice
- Scareguns Code of Practice
- Garage Sale Code of Practice

Governance Local Laws

- Governance Local Law - 2013
- Code of Conduct for Councillors - 2013
- Code of Meeting Procedures - 2013

Hume City Council, at its meeting on 23 September 2013, resolved to make the new Local Laws to be known as the Governance Local Law – 2013, and the General Local Law No. 1 - 2013. The Governance Local Law – 2013 and its Associated Codes and the General Local Law No. 1 – 2013 and its Associated Codes were effective as of the day of their gazettal, being 10 October 2013.

Councillor attendance at Council Meetings

Please refer table 1.1 on page 37 for a listing of councillors' meeting attendances from 1 July 2013 to 30 June 2014.

All councillor absences were recorded in the minutes as an apology or a leave of absence for the relevant Meeting.

Councillor Governance

Councillor allowances: Having conducted a public consultation process, Council at its Ordinary Council Meeting held on 25 February 2013 resolved the following Item No. LE533:

That Council having conducted a review of the Councillor and Mayoral Allowances under Section 74 (1) of the Act, sets the Councillor allowance at \$26,843 plus 9 per cent (as an equivalent amount to the Superannuation Guarantee contribution) equating to \$29,259, and the Mayoral

allowance at \$85,741 plus 9 per cent (as an equivalent amount to the Superannuation Guarantee contribution) equating \$93,458.

Increase in Allowances – Effective 24 December 2013

A Government Gazette Notice signed on 16 December 2013 by the Minister for Local Government, the Hon Jeanette Powell MP, under Section 73B of the *Local Government Act 1989*, determined to increase all Mayoral and Councillor Allowances by an adjustment factor of 2.5 per cent, effective from 24 December 2013.

Hume City Councillor's allowances are now \$27,505 plus 9.25 per cent (as an equivalent amount to the Superannuation Guarantee contribution) equating to \$30,049, and the Mayoral allowance is now \$87,885 plus 9.25 per cent (as an equivalent amount to the Superannuation Guarantee contribution) equating \$96,014.

Councillor equipment:

Councillors are each provided with a laptop, wireless internet access, iPhone, multi-function printer, fax and scanner and Cabcharge Card.

In addition, the Mayor is provided with a car during the Mayoral term.

As part of Council's commitment to open and transparent government, details of Councillor expenses are published on Council's website.

Councillor travel register:

Interstate and international travel costs incurred by the Mayor and Councillors are published on Council's website in its Interstate and Overseas Travel Register.

The Register provides details of travel undertaken including a

total cost that includes fares, accommodation, conference registration, sustenance and other incidental costs associated with travel.

Council's Councillor Training and Conference Policy details the requirements for overseas travel and the approval process.

Ward Meetings 2013/14

Following the electoral representation review in 2012 the number of wards reduced from four to three with two additional Councillors elected. The Aitken Ward Meeting is the first meeting under the new ward structure.

The Aitken Ward Meeting was held on 13 November 2013 at the Hume Global Learning Centre, Craigieburn. The meeting was attended by approximately 100 people.

There were more than 110 issues raised by residents/ratepayers through the ward meeting process. All issues were responded to by the Councillors.

Audit Committee

Since October 1998, Council's Audit Committee has operated as a special committee of Council under Section 86 of the *Local Government Act 1989*.

The Committee meets four times per year and ensures accountable financial management and legislative compliance by overseeing Council's financial management, risk management, occupational health and safety (OH&S), privacy and governance practices, together with oversight of the internal and external audit process.

The Committee comprises three independent members and two Councillor members.

Please refer to table 1.2 on page 37 for further information.

Internal Audit: Deloitte Touche Tohmatsu (Deloitte) was Council's Internal Auditors, with their appointment expiring on 31 August 2013. Commencing 1 September 2013, the position of Internal Auditor was performed in-house on a secondment basis, expiring on 30 June 2014. BDO East Coast Partnership (BDO) were appointed as Council's Internal Auditor for a period of three years commencing 1 July 2014.

Each year, in accordance with the approved Strategic Internal Audit Plan, our Internal Auditors carry out audits; prepare reports; and presents these reports, incorporating management responses, to the Audit Committee for consideration at the quarterly meetings.

Councillors also receive these reports for information. All activities of internal audit are monitored by the CEO and the Audit Committee.

Please refer to table 1.3 on page 38 for details of internal audits undertaken.

The Audit Committee also reviewed the actions taken by management in implementing the internal audit recommendations. Any recommendations which have not been actioned and completed continue to form part of the quarterly status reports and are actively monitored by the Audit Committee.

Year End Financial Statements / External Audit: A comprehensive review of the financial statement preparation was undertaken, including meetings with the external auditor. The Audit Committee recommended the adoption of the Financial Statements to Council for the financial year ended 30 June 2013.

The External Audit Management Letter recommendations were

reviewed and considered during the year including progress made by management in implementing the recommendations.

Other matters:

- (a) Agenda and Minutes of meetings of the Audit Committee are provided to Council in accordance with the Instrument of Delegation.
- (b) In performing its obligations and responsibilities under the Audit Committee Charter, the Committee is cognisant of the critical nature of risk management in the operations of Council. Accordingly, risk management is a key focus for the Committee and regular risk management reports are considered throughout the year. In addition to the standard reporting on Corporate and Departmental risks and associated actions, a review and update of Council's Risk Management Policy and Framework was undertaken.
- (c) The Audit Committee presented an overview of their work to Council at a policy and Strategy Briefing on 17 February 2014.
- (b) The following reports were presented to the Audit Committee for consideration:
 - Internal Audit Charter for the period 1 September 2013 to 31 May 2014
 - Strategic Audit Plan 2013 – 2015
 - Fraud Control Plan Update
 - Quarterly Finance Reporting
 - Risk Management Reporting

- Legislative Compliance and Fraud Reporting
- OHS Act 2004 – Improvement Notices Report
- Disaster Recovery Testing
- Benchmarking for Efficiencies with non-government entities
- Bonding of Subdivisional and Landscape Works
- Self Assessment against City Council Fraud
- Council’s Legislative Compliance processes
- Information and Communications Technology Strategy
- Information Services Incident Report
- Audit Committee Self-Assessment and Charter Performance Monitoring
- External Audit Strategy Memorandum
- Risk Management Policy and Framework review
- Amendments to the Audit Act 1994 – Letter from Victorian Auditor General’s Office
- Self-Assessments against Victorian Auditor-General’s Reports on:
 - Local Government Results of the 2011-12 Audits
 - Local Government Results of the 2012-13 Audits
 - Asset Management and Maintenance by Councils

- (c) Where appropriate, any recommendations made in any of the above reports that have not been actioned and completed continue to form part of the quarterly status reports and are actively monitored by the Audit Committee.
- (d) To enable the Audit Committee to obtain a more detailed understanding of the

services, operations and risks of Council, presentations were made to the Committee by:

- Director Organisation and Community Learning;
- Director City Communities; and
- Director City Infrastructure.

Corporate Governance Legislation

Council must comply with a variety of legislation aimed at achieving sound corporate governance outcomes for the community, including (but not limited to):

- Freedom of Information Act 1982;
- Health Records Act 2001;
- Information Privacy Act 2000;
- Local Government Act 1989;
- Protected Disclosure Act 2012 (came into operation on 10/02/2013 and repealed the Whistleblowers’ Protection Act 2001); and
- Public Records Act 1973.

Documents to be made available for public inspection

A Council must make available for public inspection, documents containing the following prescribed matters (*Local Government (General) Regulations 2004 - Clause 11*):

- 1.a)** details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the Act;
- b)** details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value

of any other benefits and allowances provided by the Council;

c) details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel;

d) names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;

e) names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;

f) agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;

g) a list of all special committees established by Council and the purpose for which each committee was established;

h) a list of all special committees established by the Council which were abolished or ceased to function during the financial year;

(i) minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;

j) a register of delegations kept under sections 87, 88 and 98 of

the Act, including the date on which the last review under section 98(6) of the Act took place;

k) submissions received in accordance with section 223 of the Act during the previous 12 months;

l) agreements to establish regional libraries under section 196 of the Act;

m) details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;

n) a register of authorised officers appointed under section 224 of the Act;

o) a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;

p) a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;

q) a list of contracts valued at \$150,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more-

(i) which the Council entered into during the financial year without first engaging in a competitive process; and

(ii) which are not contracts referred to in section 186(5) of the Act. Note The Act provides that an amount higher than \$150,000 may be fixed by Order in Council made under section 186(1) of the Act

r) Annual Report under section 65AA of the Freedom of Information Act 1982.

2. Councillor Reimbursement Policy.

Protected Disclosure Act

In response to the introduction of the Protected Disclosure Act 2012, which superseded the now repealed Whistleblowers' Protection Act, Council has developed its Protected Disclosure Procedures. These Procedures deal with the system for reporting disclosures of improper conduct or detrimental action by the Hume City Council or its employees, officers or members.

In relation to the reporting of protected disclosures involving improper conduct or detrimental action by the

Hume City Council or its employees, officers or members, enquiries are directed to either:

- The Protected Disclosures Coordinator; or
- The Protected Disclosures Officer.

The Protected Disclosure Procedures are accessible for viewing and download from Council's website.

During the 2013/14 financial year, there were no notifications to Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) of the Protected Disclosure Act 2012.

Freedom of Information

The Freedom of Information Act 1982 (the Act) gives people the right to obtain access to documents held by Council.

A person may request documents created by Council by submitting an application in writing and accompanied by the prescribed fee (which is not refundable) to:

Freedom of Information Officer,
Hume City Council,
PO Box 119,
DALLAS VIC 3047.

Enquiries may also be made by phoning 9205 2200.

The application fee for 2012/13 was \$25.10 and has been determined at \$25.70 for 2013/14.

Amendments to the Act, effective from 1 December 2012, established the Freedom of Information Commissioner. The role of the Commissioner is to enhance the openness and transparency of government in Victoria. Key changes to the Act included the Commissioner being responsible for:

- Conducting reviews of agency decisions, including councils.
- Handling freedom of information complaints.
- Monitoring compliance with the Act.

Please refer to table 1.4 on page 39 for further information.

Table 1.1: Councillor Meeting Attendance – 2013/14

Councillor	Council meetings required to attend incl. special meetings	Meetings attended	Meetings for which an apology was recorded	Meetings for which a leave of absence was recorded
Cr Adem Atmaca	23	21	2	
Cr Chandra Bamunusinghe	23	21	2	
Cr Alan Bolton	23	20	1	2
Cr Vic Dougall	23	16	1	6
Cr Drew Jessop	23	23		
Cr Jack Medcraft	23	22	1	
Cr Casey Nunn	23	21	2	
Cr Jack Ogilvie	23	22	1	
Cr Helen Patsikathodorou	23	17	5	1
Cr Geoff Porter	23	21	2	
Cr Ann Potter	23	22	1	

Table 1.2: Audit Committee Members – 2013/14

Audit Committee Member	Membership of Audit Committee	Meetings required to attend	Meetings attended
John Thomson	Chair	4	4
Brian Keane	Independent member	4	4
Claire Filson	Independent member	4	4
Cr Geoff Porter	Councillor member to October 2013	1	1
Cr Casey Nunn	Councillor member from November 2012	4	3
Cr Alan Bolton	Councillor member from October 2013	3	3

Table 1.3: Internal Audits – 2013/14

Internal Audit	Meeting Presented
Fees and charges	September 2013
CAATs (computer assisted audit techniques)	September 2013
Follow up prior year findings	September 2013
Public Health Services	December 2013
Fire management planning	February 2014
Cash Control	May 2014
Fleet Management	Proposed September 2014
Indirect taxes	Proposed September 2014

Table 1.4: Freedom of Information – 2013/2014

	2010/11	2011/12	2012/13	2013/14
In Progress previous year (active requests)	7	5	15	9
Requests for year	24	74	60	32
Total number of requests	31	79	75	41
Access granted in full	13	18	11	4
Access granted in part	9	16	36	21
Access denied in full	Nil	1	2	7
No documents identified	1	24	16	6
Other – Withdrawn	Nil	1	1	2
Other – In progress end of year	5	15	9	0
Aged requests from previous years determined as no longer active	3	4	Nil	1
Total dealt with in year under review	31	79	75	41
Number of appeals lodged with the Victorian Civil and Administrative Tribunal	Nil	Nil	3	Nil
Total Charges Collected	\$1,325.00	\$1,957.10	\$2,284.80	\$1,527.20

*The above information was provided to the Freedom of Information Commissioners Office for their Annual Report

Table 1.5: Victorian Local Government Indicators 2013/14

Category	Measure	Actual Result 2013/14
Overall Performance	Community Satisfaction rating for overall performance generally of Council	65
Advocacy	Community Satisfaction rating for Council's lobbying on behalf of the community	63
Community Consultation	Community Satisfaction rating for Council's community consultation and engagement	63
All Rates	Average rates and charges per assessment	1,628
Residential Rates	Average residential rates and charges per assessment	1,362
Operating Costs	Average operating expenditure per assessment	2,765
Capital Expenditure	Average capital expenditure per assessment	625
Infrastructure	Renewal	38.3%
	Renewal and maintenance	56.5%
Debts	Average liabilities per assessment	1,097
Operating Result	Operating result per assessment	731

Table 1.6: Resident of the Month

Date	Awarded
8 July 2013	Mr Trevor Bryan and Ms Pam McCulloch
12 August 2013	Ms Anne Fewster
9 September 2013	Mr Gerard Laffan
14 October 2013	Ms Carlynne Venn
11 November 2013	Neil & Marianne Williams
9 December 2013	Ms Kym Stephen
10 February 2014	Ms Thekla Scarcella
11 March 2014	Mr Ben Falcone-Mayo
14 April 2014	Noel and Coral Hann
12 May 2014	Jennifer Goudge
11 June 2014	Sarath Arachchige



Providing grants to our community

Many individuals and organisations shared in over \$510,728 in funding for a range of programs and initiatives that strengthen our community as part of Council's community grants program.

Council's Community Grants program aims to build stronger and more socially cohesive communities and is split into community activity, innovation and partnership grants.

The following grants were provided to the community through the Community Grants program during 2013/14.

2013/14 Community Grants	Amount (\$)
Community Activity	134,400
Innovation	22,520
Partnership Tier 1 & Tier 2	175,000
Neighbourhood House	178,808
Total	510,728

Community Activity

Community Group or Organisation	Amount (\$)
African Australian Food Relief Association	660
All Saints Basketball/Netball Group - Our Lady's Parish Craigieburn	1,400
Artist Guild Sunbury Inc.	1,180
Australian Croatian Senior Citizen of Gladstone Park Inc.	1,020
Banksia Gardens Community Services	1,540
Bhutanese Association in Victoria Inc.	1,120
Broadmeadows Community Toy Library Inc.	1,380
Broadmeadows Greek Elderly Citizens Club Inc.	1,180
Broadmeadows Obedience Dog Club Inc.	1,340
Broadmeadows Turkish Senior Citizens Club Inc.	920
Broadmeadows Valley Primary School	1,240
Brunswick Sinhala Language School	1,400

Bulla Agility Dogs Inc.	1,340
C8 Journey	1,360
Campbellfield Lions Soccer Club	900
Cancer and Natural Therapy Foundation	2,000
Careworks Sunranges Inc.	1,340
Circolo Pensionati Italiani Di Gladstone Park	960
Circolo Pensionati Italiani Di Greenvale Inc.	1,400
Circolo Pensionati Multiculturale Di Greenvale Inc.	1,140
Citizen Advocacy Sunbury & Districts Inc.	1,100
Coffee Craft and Chat group	1,040
Coolaroo South Primary School & Kindergarten	1,280
Craigieburn Art Group Inc.	1,080
Craigieburn Contact Centre Inc.	960
Craigieburn Historical Interest Group Inc.	1,140
Craigieburn Softball Club Inc.	1,200
Donnybrook Cricket Club	740
Essendon Parkinson's Support Group Inc.	920
Friends of the Remembered Forgotten Australians	2,000
Friends of Will Will Rook Pioneer Cemetery Inc.	980
Gladstone Park Badminton Club Inc.	1,340
Gladstone Park Combined Probus Club	1,400
Greek - Australian Recreational & Instructive League of Victoria Inc.	1,280
Greek Society of the Senior Citizen & Disabled Club of Gladstone Park & Tullamarine Inc.	960
Highlands Community Residents' Group Inc.	1,540
Hmong Melbourne Youth Society	1,200
Holy Child Christmas Dinner Committee	1,340
Hume Calder Life Education Committee	2,000
Hume City Masters Swimming Club Inc.	1,320
Hume City Swimming Club	1,340
Hume Men's Shed (Sunbury) Inc.	920
Hume University of the Third Age Inc.	2,000
Hume Valley Soccer Club	500
Jacana Cricket Club	620
Jackson Panthers Softball Club	1,060
Jackson's Creek Combined Probus Club	1,000
Jacksons Creek Town Club	1,300
Kiwanis Club of Sunbury Inc.	700
Ladies Probus Club of Sunbury Inc.	1,560
Lentara UnitingCare	1,360
Lions Club Of Glenroy Inc.	880
Macedon Ranges Further Education Centre Inc.	1,340
Meadow Heights Learning Shop Inc.	1,260
Meadow Heights Turkish Senior Citizens Association Inc.	520
Meadows Primary School - Early Learning Centre Community Hub Inc.	1,500
Melbourne Islamic Cultural Society Inc.	1,100
Mt Carmel Tennis Club Inc.	1,300
National Servicemen's Assn Inc. Sunbury Sub-Branch	1,300
North Victoria Sri Lankan Welfare Association	1,400
North West Multiple Birth Club Inc.	1,520
North West Wesleyan Methodist Church	800
Northern Men's Shed Inc.	1,040

Northern Turkish Family Association	1,060
Northern Turkish Women's Association	1,060
Northside Malayalee Community Club Inc.	1,240
PACMania	1,420
Parents, Teachers and Friends Association of VSL Sinhalese Inc.	1,160
Probus Club of Sunbury Inc.	1,120
Raise Foundation	1,320
Riding for the Disabled - Oaklands Group	1,140
Rotary Club of Greenvale	1,400
Roxburgh Park Netball Club	1,280
Roxy Slimmers Inc.	1,100
Saint Addai Community Society Inc.	740
Sherwood Knights Softball Club	1,000
Sidrana Inc.	1,300
Sirius Organisation Somalia Inc.	1,400
Skanda Matha	840
Spanish Speaking Senior Citizens Club of Broadmeadows and Districts Inc.	820
St Anne's Primary School - P2P support Group	1,560
Sunbury & District Heritage Association Inc.	1,080
Sunbury and Macedon Ranges Specialist School	1,440
Sunbury Art Society Inc.	1,240
Sunbury Bridge Club Inc.	1,260
Sunbury Chinese Australian Community Group Inc.	1,340
Sunbury Combined Probus Club Inc.	1,300
Sunbury Community Arts Network Inc.	1,460
Sunbury Family History Society Inc.	1,040
Sunbury Garden Club Inc.	1,040
Sunbury International Women's Day Steering Committee - Sunbury Community Health	740
Sunbury Ladies Batanrougue Club Inc.	1,020
Sunbury Lay Ecumenical Committee Inc.	1,100
Sunbury Organic Food Co-operative Inc.	2,000
Sunbury Preschools' Parents and Friends Association Inc.	1,500
Sunbury School of Calisthenics Inc.	1,140
Sunbury Seniors Citizens Inc.	1,060
Sunbury U3A Inc.	1,220
Superoos Basketball Club Inc.	1,160
Team XTREME Basketball Club	1,200
Terminate Tulla Toxic Dump Action Group Inc.	1,360
The Greek Orthodox Community of Broadmeadows & District	1,300
The Lemon Tree Project Inc.	2,000
Tullamarine Live Steam Society	1,060
Tullamarine Writer's Association	740
Turkish Teachers' Association of Victoria	940
Victorian Arabic Artist Association	800
Victorian Arabic Social Service	980
Vietnamese Senior Citizens Group of Hume Inc.	1,300
Vietnamese Women Association Inc.	1,200
Woodlands Ladies Probus Club of Sunbury Inc.	1,360
Zahrira Social Club	1,100
Total	134,400

Innovation

Community Group or Organisation	Amount (\$)
Committee for Craigieburn Inc.	4,100
Second Chance Animal Rescue Inc.	3,500
S.O.L.D Inc. (Support & Opportunities for Learning Disabilities Inc.)	4,920
Mature Person Group and Food Services Broadmeadows	5,000
Tullamarine Community House Inc.	5,000
Total	22,520

Partnership

Community Group or Organisation	Amount (\$)
Tier 1	
Distinctive Options	10,000
Muslim Womens Council of Victoria Inc.	10,000
Sunspec Support Group for Families/Carers of People with Disabilities Inc.	10,000
Outer Urban Projects	10,000
Tier 2	
Sunbury Community Health - BoilOver Inclusive Performance Ensemble *	20,000
Sunbury Community Health - BoilOver Inclusive Performance Ensemble	20,000
Dianella Community Health - Broad Insight Group	20,000
Victorian Immigrant and Refugee Womens Coalition Inc	20,000
CuriousWorks Inc	20,000
VICSEG New Futures	20,000
Brite Services	15,000
Total	175,000

* \$20,000 allocation per Council Resolution 10 December 2012 Provision 2012/2013 Expensed 2013/2014 Financial Year

Neighbourhood House

Community Group or Organisation	Amount (\$)
Attwood House Community Centre Association	22,351
Banksia Gardens Association Inc.	22,351
Broadmeadows Women's Community House - Anglicare	22,351
Craigieburn Education and Community Centre Inc.	22,351
Dallas Neighbourhood House Inc.	22,351
Goonawarra Neighbourhood House Inc.	22,351
Sunbury Neighbourhood House	22,351
Tullamarine Community House Inc.	22,351
Total	178,808

Other major grants and funding

Other major grants and funding	Amount (\$)
Hume Festival of Music 2013	21,139
Hume Arts Awards 2013	20,000
Hume Aileu Education Scholarship Program	3,600
Total	\$44,739

Hume City Council

Financial Report 2013 - 2014

Hume City Council

Standard Statements

NOTES TO THE STANDARD STATEMENTS For the Year Ended 30 June 2014

1. Basis of the preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Income Statement, a Standard Balance Sheet, a Standard Cash Flow Statement and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act* 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The result reported in these statements is consistent with that reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements which are included on pages 57 to 60 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its Budget, with actual performance. The *Local Government Act* 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10%. Explanations have not been provided for variances below the materiality threshold unless the variance is considered to be material because of its' nature.

The Budget figures included in the Statements are those adopted by Council on 24 June 2013. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. The Council set guidelines and parameters for revenue and expense targets in this Budget in order to meet Council's business plan and financial performance targets for both the short-term and long-term.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements on pages 57 to 110. The detailed Budget can be obtained by contacting Council or from the Council's website, www.hume.vic.gov.au. The Standard Statements must be read with reference to these documents.

STANDARD INCOME STATEMENT

For the Year Ended 30 June 2014

	Budget 2014 \$'000	Actual 2014 \$'000	Variances \$'000	%	Ref
Income					
Rates and charges	127,421	127,582	161	0.1	
Statutory fees and fines	7,993	8,633	640	8.0	
User fees	20,664	22,248	1,584	7.7	
Grants - recurrent	33,640	28,141	(5,499)	(16.3)	1
Contributions - cash	1,450	6,276	4,826	332.8	2
Property rental	1,101	1,336	235	21.3	3
Interest income	2,086	2,123	37	1.8	
Fair value adjustment for investment property	2,149	(538)	(2,687)	(125.0)	4
Total income	196,504	195,801	(703)	(0.4)	
Expenses					
Employee benefits	90,608	91,168	(560)	(0.6)	
Materials and services	47,565	57,972	(10,407)	(21.9)	5
Utility costs	5,888	6,182	(294)	(5.0)	
Grants, contributions and donations	4,155	4,058	97	2.3	
Depreciation and amortisation	32,620	32,938	(318)	(1.0)	
Finance costs	1,525	2,709	(1,184)	(77.6)	6
Other expenses	3,708	2,984	724	19.5	7
Total expenses	186,069	198,011	(11,942)	(6.4)	
Underlying surplus	10,435	(2,210)	(12,645)	(121.2)	
Net loss on disposal of property, plant, equipment and infrastructure	-	(90)	(90)	(100.0)	8
Contributions - non-monetary assets	31,638	48,885	17,247	54.5	9
Grants - non-recurrent	8,355	5,776	(2,579)	(30.9)	10
Surplus for the year	50,428	52,361	1,933	3.8	
Other comprehensive income					
Net asset revaluation increment	102,293	312,155	209,862	205.2	11
Comprehensive result	152,721	364,516	211,795	138.7	

The above standard income statement should be read in conjunction with the accompanying General Purpose Financial Statements.

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	Grants - recurrent	The unfavourable variance primarily relates to the advance payment of the 2013/14 Victorian Grants Commission (VGC) funding of \$6.5m which was received in 2012/13.
2	Contributions - cash	The favourable variance is predominantly due to Development Contribution Plans at Greenvale West where Council received cash in lieu of land, Greenvale North (Mickleham) and Craigieburn where there was increased developer activity.
3	Property rental	The favourable variance predominantly relates to an unbudgeted lease to Public Transport Victoria (PTV) for car parking in Sunbury.
4	Fair value adjustment for investment property	Overall the property market in Hume has decreased three per cent since the 2012 revaluation.
5	Materials and services	The unfavourable variance primarily relates to the following unbudgeted expenditure: <ul style="list-style-type: none"> • \$7m in capital works projects expensed as the expenditure did not meet Council's asset capitalisation threshold. This includes approximately \$2.6m of works on behalf of third parties for assets which Council does not own. This majority of this expenditure is recoverable. • \$2.4m in agency staff due to temporary resources employed to backfill vacant positions during the recruitment process. It is the practice of Council to budget for a full compliment of staff and not for agency staff. • \$1.1m in bad and doubtful debts - It is Council's policy not to budget for bad debts as all attempts are made to recover outstanding amounts. • Additional expenditure as a result of unbudgeted grants received.
6	Finance costs	The unfavourable variance is due to the reduction in the discount rates and increase in the inflation rates used to calculate the landfill provision. This is an accounting entry only.
7	Other expenses	The favourable variance primarily relates to the timing of lease payments associated with the delivery of garbage trucks and sweepers.
8	Net loss on disposal of property, plant, equipment and infrastructure	The unfavourable variance primarily relates to lower than expected proceeds from the sale of fleet vehicles.
9	Contributions - non-monetary assets	The favourable variance is due to a higher level of developer contributions as a result of continued growth in the City's north.
10	Grants - non-recurrent	The unfavourable variance primarily relates to a \$2.5m Hume Regional Sports & Aquatic Precinct Development grant budgeted in 2013/14 but committed to be received between 2015 to 2016.
11	Net asset revaluation increment	The favourable variance primarily relates to a higher than anticipated increment on infrastructure assets.

	Budget 2014 \$'000	Actual 2014 \$'000	Variances \$'000	%	Ref
Assets					
Current assets					
Cash and cash equivalents *	25,105	44,603	19,498	77.7	12
Trade and other receivables	19,023	17,311	(1,712)	(9.0)	
Non-current assets classified as held for sale	-	174	174	100.0	13
Other assets	1,536	1,744	208	13.5	14
Total current assets	45,664	63,832	18,168	39.8	
Non-current assets					
Trade and other receivables	309	309	-	-	
Financial assets	250	290	40	16.0	15
Property, plant, equipment and infrastructure	1,868,394	2,150,577	282,183	15.1	16
Investment property	44,511	50,729	6,218	14.0	17
Total non-current assets	1,913,464	2,201,905	288,441	15.1	
Total assets	1,959,128	2,265,737	306,609	15.7	
Liabilities					
Current liabilities					
Trade and other payables	21,643	15,790	5,853	27.0	18
Trust funds and deposits	631	1,528	(897)	(142.2)	19
Provisions	18,295	20,306	(2,011)	(11.0)	20
Interest-bearing loans and borrowings	1,973	15,466	(13,493)	(683.9)	21
Total current liabilities	42,542	53,090	(10,548)	(24.8)	
Non-current liabilities					
Trust funds and deposits	2,148	1,096	1,052	49.0	22
Provisions	9,912	10,241	(329)	(3.3)	
Interest-bearing loans and borrowings	24,710	14,146	10,564	42.8	23
Total non-current liabilities	36,770	25,483	11,287	30.7	
Total liabilities	79,312	78,573	739	0.9	
Net assets	1,879,816	2,187,164	307,348	16.3	
Equity					
Accumulated surplus	1,029,791	1,107,452	77,661	7.5	
Asset revaluation reserve	838,488	1,057,108	218,620	26.1	24
Other reserves	11,537	22,604	11,067	95.9	25
Total equity	1,879,816	2,187,164	307,348	16.3	

The above standard balance sheet should be read in conjunction with the accompanying General Purpose Financial Statements.

* For the purpose of the standard statements Council has adopted the definition of cash and cash equivalents to include current financial assets being term deposits maturing after 90 days but within 12 months.

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
12	Cash and cash equivalents	Cash balances were ahead of budget due to commencing the year with a higher cash balance and the carried forward component of the capital works program.
13	Non-current assets classified as held for sale	Favourable to budget due to the reclassification of a parcel of land which is now available for sale.
14	Other assets	Favourable to budget due to income owing from the Bulla and Sunbury Cemetery Trusts for works undertaken by Council on their behalf.
15	Financial assets	The amount relates to Council's investment in Regional Kitchen Pty Ltd. Council has purchased additional shares at a value of \$40k.
16	Property, plant, equipment and infrastructure	Greater than expected subdivisional activity resulted in higher levels of contributed infrastructure assets compared to budget. The increase also relates to a higher than expected revaluation increment relating to Council's infrastructure assets.
17	Investment property	Above budget due to commencing the year with a higher than expected balance.
18	Trade and other payables	Trade and other payables are lower due to the level of accrued expenses relating to capital projects.
19	Trust funds and deposits	The increase in trust funds and deposits primarily relates to the portion expected to be repaid within the next 12 months. Historically, trends indicate that 60% of outstanding trusts balance across all categories are paid within 12 months.
20	Provisions	Overall, provisions are unfavourable due to an increase in annual and long service leave provisions as a result of outstanding leave balances. Additionally, Council's landfill rehabilitation and aftercare provision increased due to the reduction in the discount rates and increase in the inflation rates used when calculating the net present value (NPV) of the landfill provision.
21	Interest-bearing loans and borrowings	The increase in current interest bearing loans and borrowings is due to a short term funding arrangement for the unfunded Defined Benefits Plan liability payable to Vision Super which is due to mature in March 2015.
22	Trust funds and deposits	The decrease in trust funds and deposits is due to the repayment of maintenance bonds for works completed.
23	Interest-bearing loans and borrowings	The reduction in the non-current liability is due to the classification of the short term funding arrangement as a current liability as it is due to be repaid in March 2015 (refer to note 21).
24	Asset revaluation reserve	The increase relates to a greater than anticipated appreciation of Council's infrastructure assets.
25	Other reserves	Above budget due to the receipt of grants received in advance and remaining unspent at year end and the receipt of developer contributions which are carried forward to be spent in future years.

	Budget 2014 Inflows/ (Outflows) \$'000	Actual 2014 Inflows/ (Outflows) \$'000	Variances \$'000	%	Ref
Cash flows from operating activities					
Rates and charges	127,121	127,629	508	0.4	
Grants - recurrent	33,640	28,141	(5,499)	(16.3)	26
Grants - non-recurrent	8,355	6,662	(1,693)	(20.3)	27
User fees	20,259	23,914	3,655	18.0	28
Statutory fees and fines	7,734	8,244	510	6.6	
Property rental	1,101	1,364	263	23.9	29
Interest	2,086	1,972	(114)	(5.5)	
Contributions	1,299	6,276	4,977	383.1	30
Net GST refund	-	9,560	9,560	100.0	31
Payments to employees	(88,743)	(87,983)	760	0.9	
Materials and services	(53,645)	(63,901)	(10,256)	(19.1)	32
Grants, contributions and donations	(4,155)	(4,058)	97	2.3	
Other expenses	(3,708)	(2,977)	731	19.7	33
Net cash provided by operating activities	51,344	54,843	3,499	6.8	
Cash flows from investing activities					
Payments for property, plant, equipment and infrastructure	(72,426)	(63,089)	9,337	12.9	34
Payments for financial assets	-	(40)	(40)	(100.0)	35
Proceeds from sales of property, plant, equipment and infrastructure	1,358	869	(489)	(36.0)	36
Net cash used in investing activities	(71,068)	(62,260)	8,808	12.4	
Cash flows from financing activities					
Finance costs	(1,325)	(1,407)	(82)	(6.2)	
Repayment of interest-bearing loans and borrowings	(1,751)	(1,532)	219	12.5	37
Proceeds from interest-bearing loans and borrowings	14,250	14,250	-	-	
Net cash provided by financing activities	11,174	11,311	137	1.2	
Net increase / (decrease) in cash and cash equivalents	(8,550)	3,894	12,444	145.5	
Cash and cash equivalents at the beginning of the financial year	33,655	40,709	7,054	21.0	
Cash and cash equivalents at the end of the financial year	25,105	44,603	19,498	77.7	

The above standard cash flow statement should be read in conjunction with the accompanying General Purpose Financial Statements.

* For the purpose of the standard statements Council has adopted the definition of cash and cash equivalents to include current financial assets being term deposits maturing after 90 days but within 12 months.

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
26	Grants - recurrent	The unfavourable variance primarily relates to the advance payment of the 2013/14 Victorian Grants Commission (VGC) funding of \$6.5m which was received in 2012/13.
27	Grants - non-recurrent	The unfavourable variance primarily relates to the timing of grants received and contributions which were originally budgeted for under grants (refer to note 30).
28	User fees	The favourable variance primarily relates to the inclusion of GST in the actual result for 2013/14 (which is not included in the budget).
29	Property rental	The favourable variance predominantly relates to unbudgeted lease to Public Transport Victoria (PTV) for car parking in Sunbury.
30	Contributions	Contributions are favourable primarily due to open space and developer contributions received above budget and contributions which were originally budgeted under grants - non-recurrent (refer to note 27).
31	Net GST refund	No amount was budgeted for as this creates a revenue neutral transaction. Disclosures within the cash flow include GST primarily in user fees, materials and services and in payments for property, plant, equipment and infrastructure.
32	Materials and services	The variance in materials and services is predominantly due to the actual amount including GST whereas the budget amount does not (refer to note 31). Furthermore, there are unfavourable variances in materials and services as outlined in note 5.
33	Other expenses	The favourable variance primarily relates to the timing of lease payments associated with the delivery of garbage trucks and sweepers.
34	Payments for property, plant, equipment and infrastructure	In setting the capital works component of the 2013/14 annual budget it included a carried forward amount from the 2012/13 financial year which was expected to be completed in 2013/14. However, at the end of 2013/14, there remained some projects which were not yet started or complete and will be carried forward for completion in 2014/15 (refer to note 38).
35	Payments for financial assets	The unfavourable variance relates to the purchase of additional shares in the Regional Kitchen organisation.
36	Proceeds from sales of property, plant, equipment and infrastructure	The unfavourable variance relates to the sale of a parcel of land which will now occur in 2015.
37	Repayment of interest-bearing loans and borrowings	When setting the budget, repayment of loans and borrowings were predicated on an additional \$14.3m of new borrowings. However, these borrowings were obtained under a short term interest only arrangement and therefore no principal repayments were required during the financial year.

	Budget 2014 \$'000	Actual 2014 \$'000	Variances \$'000	%	Ref
CAPITAL WORKS AREAS					
Roads and traffic	13,868	10,581	3,287	23.7	
Footpath infrastructure	4,100	3,638	462	11.3	
Drainage infrastructure	371	883	(512)	(138.0)	
Major leisure facilities	6,585	8,265	(1,680)	(25.5)	
Parks and reserves	17,060	3,222	13,838	81.1	
Community facilities	6,730	5,196	1,534	22.8	
Waste management	1,565	1,283	282	18.0	
Town activity centres	75	176	(101)	(134.4)	
Civic/corporate	5,682	4,141	1,541	27.1	
Works carried forward from prior year	19,700	13,902	5,798	29.4	
Total capital works	75,736	51,287	24,449	32.3	38
Represented by:					
New assets	53,273	23,938	29,335	55.1	
Asset renewal	22,463	27,349	(4,886)	(21.7)	
Total capital works	75,736	51,287	24,449	32.3	

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
38	Total capital works	<p>Lower than budget due to a higher than expected level of carried forward capital works projects into 2014/15.</p> <p>Some projects were not able to be started during the year and some were started but have not yet been completed. The key projects that this relates to include the Broadmeadows Leisure Centre redevelopment, the Hume Regional Sports & Aquatic Precinct Development, the Tanderrum Way Upgrade - Pearcedale Parade to Pascoe Vale Road and the conversion of street lighting to T5 environmental lighting across the municipality.</p> <p>In addition, expenditure on projects that do not meet Council's capitalisation threshold are expensed in the Comprehensive Income Statement.</p>

CERTIFICATION OF STANDARD STATEMENTS

Statement by Principal Accounting Officer

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



Robert Costa, B Bus (Acc), CPA
Principal Accounting Officer

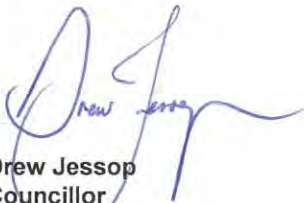
Date: 8 September 2014
Melbourne

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the annual financial report and in accordance with the *Local Government Act 1989* and the Local Government (Finance and Reporting) Regulations 2004.

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

On 8 September 2014, we were authorised by Hume City Council to certify the standard statements in their final form on behalf of Council.



Drew Jessop
Councillor

Date: 8 September 2014
Melbourne



Casey Nunn
Mayor

Date: 8 September 2014
Melbourne



Domenic Isola
Chief Executive Officer

Date: 8 September 2014
Melbourne

Hume City Council

Financial Statements

Comprehensive Income Statement
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenue			
Rates and charges	2	127,582	118,189
Statutory fees and fines	3	8,633	8,111
User fees	4	22,248	20,778
Grants - operating (recurrent)	5 (a)	28,141	33,682
Grants - capital (non-recurrent)	5 (b)	5,776	3,932
Contributions - cash	6	6,276	7,595
Property rental	7	1,336	1,078
Interest income	8	2,123	2,085
Total revenue		202,115	195,450
Expenses			
Employee benefits	10	(91,168)	(81,246)
Materials and services	11	(63,046)	(57,162)
Grants, contributions and donations	12	(4,058)	(4,695)
Bad and doubtful debts	13	(1,108)	(1,272)
Depreciation and amortisation	14	(32,938)	(33,060)
Finance costs	15	(2,709)	(1,022)
Other expenses	16	(2,984)	(3,059)
Total expenses		(198,011)	(181,516)
Net result prior to asset items		4,104	13,934
Net loss on disposal of property, plant, equipment and infrastructure	9	(90)	(12)
Contributions - non-monetary assets	6	48,885	43,422
Fair value adjustments for investment property	23	(538)	-
Surplus for the year		52,361	57,344
Items that will not be reclassified to surplus or deficit:			
Other comprehensive income			
Net asset revaluation increment	28 (a)	312,155	-
Total comprehensive result		364,516	57,344

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

Balance Sheet
As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	20,290	20,543
Financial assets	18	24,313	20,166
Trade and other receivables	19	17,311	18,127
Non-current assets classified as held for sale	20	174	-
Other assets	21	1,744	1,617
Total current assets		63,832	60,453
Non-current assets			
Trade and other receivables	19	309	309
Financial assets	18	290	250
Property, plant, equipment and infrastructure	22	2,150,577	1,778,451
Investment property	23	50,729	51,012
Total non-current assets		2,201,905	1,830,022
Total assets		2,265,737	1,890,475
Liabilities			
Current liabilities			
Trade and other payables	24	15,790	22,373
Trust funds and deposits	25	1,528	922
Provisions	26	20,306	17,795
Interest-bearing loans and borrowings	27	15,466	1,422
Total current liabilities		53,090	42,512
Non-current liabilities			
Trust funds and deposits	25	1,096	2,119
Provisions	26	10,241	8,867
Interest-bearing loans and borrowings	27	14,146	14,329
Total non-current liabilities		25,483	25,315
Total liabilities		78,573	67,827
Net assets		2,187,164	1,822,648
Equity			
Accumulated surplus		1,107,452	1,057,456
Asset revaluation reserve	28(a)	1,057,108	744,953
Other reserves	28(b)	22,604	20,239
Total equity		2,187,164	1,822,648

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

Statement of Changes in Equity
For the Year Ended 30 June 2014

			Asset	
	Note	Total	Accumulated	Revaluation
		2014	Surplus	Reserve
		\$'000	2014	2014
2014			\$'000	\$'000
Balance at beginning of the financial year		1,822,648	1,057,456	744,953
Surplus for the year		52,361	52,361	-
Net asset revaluation increment	28(a)	312,155	-	312,155
Transfers to other reserves	28(b)	-	(11,134)	-
Transfers from other reserves	28(b)	-	8,769	-
Balance at end of the financial year		2,187,164	1,107,452	1,057,108

			Asset	
		Total	Accumulated	Revaluation
		2013	Surplus	Reserve
		\$'000	2013	2013
2013			\$'000	\$'000
Balance at beginning of the financial year		1,765,304	999,308	744,953
Surplus for the year		57,344	57,344	-
Transfers to other reserves	28(b)	-	(11,791)	-
Transfers from other reserves	28(b)	-	12,595	-
Balance at end of the financial year		1,822,648	1,057,456	744,953

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

Cash Flow Statement
For the Year Ended 30 June 2014

	2014 Inflows/ (Outflows) Note \$'000	2013 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates and charges	127,629	117,650
Grants - operating (recurrent)	28,141	34,673
Grants - capital (non-recurrent)	6,662	2,939
User fees	23,914	22,233
Statutory fees and fines	8,244	6,550
Property rental	1,364	1,050
Interest	1,972	1,997
Contributions - cash	6,276	8,995
Net GST refund	9,560	9,321
Payments to employees	(87,983)	(91,080)
Materials and services	(63,901)	(62,398)
Grants, contributions and donations	(4,058)	(5,182)
Other expenses	(2,977)	(3,350)
Net cash provided by operating activities	29 <u>54,843</u>	<u>43,398</u>
Cash flows from investing activities		
Payments for property, plant, equipment and infrastructure	(63,089)	(54,254)
Payments for financial assets	(24,353)	(20,166)
Proceeds from sale of property, plant, equipment and infrastructure	869	1,298
Proceeds from sale of financial assets	20,166	25,522
Net cash used in investing activities	<u>(66,407)</u>	<u>(47,600)</u>
Cash flows from financing activities		
Finance costs	(1,407)	(1,022)
Repayment of interest-bearing loans and borrowings	(1,532)	(1,306)
Proceeds from interest-bearing loans and borrowings	14,250	-
Net cash provided by / (used in) financing activities	<u>11,311</u>	<u>(2,328)</u>
Net decrease in cash and cash equivalents	(254)	(6,530)
Cash and cash equivalents at the beginning of the financial year	20,543	27,073
Cash and cash equivalents at the end of the financial year	17 <u>20,289</u>	<u>20,543</u>
Financing arrangements	30	

Where applicable the above amounts are shown inclusive of GST.

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

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Introduction

- (a) The Hume City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 1079 Pascoe Vale Rd, Broadmeadows.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Lawyers - Russell Kennedy, DLA Piper Australia, Maddocks, Elliot Stafford and Associates Lawyers, Hoeys Lawyers, Hunt & Hunt, McNamaras Barristers & Solicitors, Macpherson & Kelly Lawyers, Macquarie Local Government Lawyers, Greens List Barristers, HWL Ebsworth Lawyers, Meerkins & Apel and RW Stamp & Associates Pty Ltd.

Bankers - Commonwealth Bank of Australia, National Australia Bank, Westpac Banking Corporation and ANZ Bank

Website address - www.hume.vic.gov.au

These financial statements are general purpose financial statements that consist of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial statements comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

(a) Basis of accounting

This financial report has been prepared on the accrual and going concern basis.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(g), 1(i), 1(r), 1(u) and 1(v).

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies

(a) Basis of accounting (cont.)

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.

All assets and liabilities of entities controlled by Council, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

(b) Change in accounting policies

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

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 in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period.

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

Note 1 Significant accounting policies

(b) Change in accounting policies (cont.)

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.

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis. This change in classification has not materially altered Council's measurement of the annual leave provision.

Note 1 Significant accounting policies (cont.)

(c) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets 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.

Income is recognised when 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 Council and the amount of the contribution can be measured reliably.

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 5. 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.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

User 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant, equipment and infrastructure

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

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

(c) Revenue recognition (cont.)

Rental

Rents are recognised as revenue when a payment is due or is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised as it is earned.

Trade receivables

Revenue from general debtors is recognised for completed works or on the provision of goods or services. Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. General debts are payable 14 days from the date of invoice. Interest charges are not applied to general debts. Interest is included in the advances to community groups at rates current at the time of obtaining the advance.

Collectability of all debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised based on general debtors in excess of 180 days if no payments have been received from the debtor in the last three months.

(d) Depreciation and amortisation of property, plant, equipment and infrastructure assets

Property, plant, equipment and infrastructure assets having limited useful lives are systematically depreciated over their useful lives to 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.

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

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

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

Major depreciation periods used are listed below and are consistent with the prior year:

	Period
<i>Property</i>	
Land	
land improvements	1 - 20 years
landfill restoration assets	2 - 20 years
land under roads	Nil
Buildings	
buildings	50 years
<i>Plant and Equipment</i>	
Plant and machinery	1 - 10 years
Furniture and equipment	1 - 10 years
Computers and telecommunications	2 - 5 years
<i>Heritage Assets</i>	
Heritage and culture	Nil
<i>Infrastructure</i>	
Roads	12 - 75 years
Road formation (earthworks)	Nil
Bridges	50 - 100 years
Footpaths	50 years
Kerb and channel	60 years
Car parks	12 - 75 years
Drainage assets (pits and pipes)	100 years
Other infrastructure	20 - 40 years

(e) 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 reflected in the carrying value of the asset.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

(f) Finance costs

Finance 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 acquisitions, 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.

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

(g) Recognition and measurement of assets

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.

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.

The following classes of assets have been recognised in note 22. In accordance with Council's policy the threshold limits detailed below have been applied when recognising assets within an applicable asset class and are consistent with the prior year:

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

(g) Recognition and measurement of assets (cont.)

	Threshold Limit \$'000
<i>Property</i>	
Land	
land	1
land improvements	10
land under roads	1
Buildings	
buildings	10
building improvements	10
leasehold building improvements	10
<i>Plant and Equipment</i>	
Plant and machinery	1
Furniture and equipment	1
Computers and telecommunications	1
<i>Heritage Assets</i>	
Heritage and culture	10
<i>Infrastructure</i>	
Roads	
road seal	10
road substructure	10
road formation (earthworks)	10
Bridges	
bridges deck	10
bridges substructure	10
Footpaths	10
Kerb and channel	10
Car parks	10
Drainage assets (pits and pipes)	10
Other infrastructure	10

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than furniture, plant, equipment, heritage and land improvements 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.

Note 1 Significant accounting policies (cont.)

(g) Recognition and measurement of assets (cont.)

Subsequent to the initial recognition of land, the general characteristics when valuing land have been taken into consideration, that is the highest and best use, area, location and surrounding uses, shape and topography. From this a discount to the lands unencumbered value has been applied if the land is encumbered by a title restriction, zoning or easement, or has limited development potential due to its size.

Buildings have been valued by comparison with similar assets valued from evidence in the active market. Where no active market exists, for example a Community Hall, the asset's value has been determined by considering the replacement cost of the asset adjusting for the condition of the asset.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis. The formal revaluation of land and building assets, known as a General Revaluation, as required by the *Valuation of Land Act 1960*, occurs every two years, with the last being on 1 January 2014. The valuation is performed either by experienced Council officers or independent experts.

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

Land under roads

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

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(i) Financial assets

Financial assets are valued at fair value, being market value at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense. Unlisted shares are measured at cost.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

(j) Investments

Investments are measured at fair value.

(k) Employee benefits

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

(i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual 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.

(ii) Long service leave

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

Current Liability - unconditional LSL representing 7 years 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 settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Non-current liability - conditional LSL representing less than 7 years 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. Gains or losses following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

Note 1 Significant accounting policies (cont.)

(k) Employee benefits (cont.)

(iii) Employee benefits on-costs

Employee benefits on-costs (workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(iv) Superannuation

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

(l) Leases

(i) Finance leases

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

(ii) Operating leases

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

(m) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(n) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

(o) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as trust funds until they are returned or forfeited. Amounts received and paid by the Council, where the Council has merely acted as a collection agent, have been eliminated. Trust funds are disclosed in note 25.

(p) Payables

Creditors and accrued expenses represent amounts to be paid for goods and services provided to the Council prior to the end of financial year and which remain unpaid at that date. The liability is recognised when the goods and services are received. The amounts are unsecured and are usually paid within 30 days of recognition. Interest is not normally paid on these liabilities.

(q) 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 Tax 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 cash flow statement on a gross basis.

(r) 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.

Note 1 Significant accounting policies (cont.)

(s) Landfill rehabilitation and aftercare provision

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When an asset is initially recognised, the costs of dismantling and removing the asset and restoring the site on which the asset is created, together with the recognition of a provision determined at present value are recognised.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

In the case of landfill operations where Council makes provision for site rehabilitation and aftercare, these costs are capitalised. Consequently, there is an increase in depreciation expense as a result of the increase in the carrying amount of the asset and an interest expense will be incurred as the present value discount on the rehabilitation and aftercare provision unwinds.

(t) Rounding

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

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 1 Significant accounting policies (cont.)

(u) Non-current assets 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.

(v) 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 Council's 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.

(w) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(x) 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.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of a note.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

	Note	2014 \$'000	2013 \$'000
Note 2	Rates and charges		
Council uses the Capital Improved Value (CIV) as the basis for valuation of all properties within the municipal district. The CIV is an assessment of the market value of a property on a specific date.			
The valuation base used to calculate general rates for 2013/14 was \$29.685 billion (2012/13 - \$28.946 billion). The 2013/14 rate in the CIV dollar was 0.3902 (2012/13 - 0.3664).			
Residential		85,728	79,367
Commercial		6,477	6,053
Industrial		17,566	16,377
Rural		6,821	6,185
Special rates and charges		-	17
Revenue in lieu of rates		10,990	10,190
Total rates and charges		<u>127,582</u>	<u>118,189</u>
The increase in rates and charges is primarily due to a rate increase of 6.5% together with the raising of supplementary rates during the year as a result of continued growth throughout the municipality.			
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation first applied in the rating year commencing 1 July 2014.			
The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation first applied to the rating period commencing 1 July 2012.			
Note 3	Statutory fees and fines		
Land information certificates		109	106
Building fines and infringements		1,904	1,914
Registrations and permits		936	805
Subdivisions		1,416	1,080
Traffic / PERIN / animals		3,339	3,410
Town planning		821	630
Other / miscellaneous		108	166
Total statutory fees and fines		<u>8,633</u>	<u>8,111</u>
Development associated fees and fines have increased in line with an increase in subdivision and town planning activities.			
Note 4	User fees		
Landfill / garbage		5,512	4,186
Subdivisions		181	61
Recreational facilities		6,141	5,941
Community services		5,545	5,480
Building		691	681
Organic waste fees		2,045	1,817
General and supplementary valuation data		159	505
Cemetery fees		283	223
Town planning		158	180
Other / miscellaneous		1,533	1,704
Total user fees		<u>22,248</u>	<u>20,778</u>

There has been a increase in Landfill income which is consistent with price increases and utilisation of this service and sales of recyclable materials. Organic waste fees (green bin) increased due to a higher take up of the service. The sale of general revaluation data occurs every two years.

Notes to the Financial Report
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Note 5 Grants			
Grants were received in respect of the following:			
Summary of grants			
Federally funded grants		2,844	4,118
State funded grants		30,850	32,988
Others		223	507
Total		33,917	37,614
 (a) Operating (recurrent)			
Victoria Grants Commission - general purpose		5,202	10,551
Victoria Grants Commission - local roads		993	1,801
Human Resources		19	59
Environment		111	6
Organisational Performance & Engagement		30	-
Social Development		594	1,105
Learning Communities		1,260	1,195
Statutory Planning		7	-
Economic Development		134	443
Finance & Property Development		31	100
Customer Service		9	-
Services		47	111
Public Works and Services		32	32
Aged Services & Public Health		6,116	5,661
School Crossings		258	226
Parks		162	105
Leisure Services		17	128
Health Services		201	166
Family & Childrens Services		11,404	10,244
Waste and Cleansing Services		32	32
Youth Services		146	124
Community & Health Policy & Public Planning		1,336	1,594
Total operating (recurrent)		28,141	33,682
 (b) Capital (non-recurrent)			
Asset Development		5,776	3,932
Total capital (non-recurrent)		5,776	3,932
 <i>Conditions on Grants</i>			
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:			
Environment		88	3
Social Development		116	152
Learning Communities		-	44
Economic Development		-	20
Urban Places		-	24
Capital Works		3,595	5,231
Aged Services & Public Health		1,276	368
Parks		31	13
Family & Childrens Services		192	226
Youth Services		53	70
Community & Health Policy & Public Planning		-	421
Total	28(b)	5,351	6,572

Notes to the Financial Report
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Note 5	Grants (cont.)		
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:			
Environment		3	78
Learning Communities		44	67
Social Development		152	933
Leisure Services		-	28
Aged Services & Public Health		368	377
Economic Development		20	26
Family & Childrens Services		226	333
Youth Services		70	19
Parks		13	-
Capital Works		5,231	6,993
Urban Places		24	44
Community & Health Policy & Public Planning		421	608
Total		6,572	9,506
Net decrease in restricted assets resulting from grant revenues for the year			
		(1,221)	(2,934)
Note 6	Contributions		
(a) Cash			
Contributions		6,017	7,264
Sponsorships		82	144
Fringe benefits tax		177	187
Total		6,276	7,595
The decrease in cash contributions is predominantly relates to a contribution received for the Aitken Boulevard / Central Park Craigieburn intersection works in 2013.			
(b) Non-monetary assets			
Land under roads		11,539	7,999
Roads, footpaths and bridges		13,093	9,798
Drainage works		9,964	4,633
Land		13,203	20,749
Car parks		111	26
Land improvements		975	217
Total		48,885	43,422
Total contributions		55,161	51,017
Contributed assets are assets transferred to Council as a result of subdivisional activities or from other entities.			
Note 7	Property rental		
Investment property rental		790	616
Other rent		546	462
Total property rental		1,336	1,078

Notes to the Financial Report
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Note 8	Interest income		
	Interest	1,453	1,385
	Interest on rates	670	612
	Interest on landfill	-	88
	Total Interest income	2,123	2,085
Note 9	Net gain / (loss) on disposal of property, plant, equipment and infrastructure		
	<i>Non-current assets classified as held for sale</i>		
	Proceeds from sale	-	680
	Less cost of assets sold	-	(588)
	Gain on disposal	-	92
	<i>Land</i>		
	Proceeds from sale	59	-
	Less cost of assets sold	(56)	-
	Gain on disposal	3	-
	<i>Plant and equipment</i>		
	Proceeds from sale	810	619
	Less cost of assets sold	(903)	(723)
	Loss on disposal	(93)	(104)
	Total loss on disposal of property, plant, equipment and infrastructure	(90)	(12)
Note 10	Employee benefits		
	Wages and salaries	74,443	66,676
	Superannuation	6,751	6,022
	Annual leave and long service leave	6,290	5,282
	Other employee related expenses	3,501	3,074
	Fringe benefits tax	183	192
	Total employee benefits	91,168	81,246
Note 11	Materials and services		
	Materials	15,237	11,923
	Fleet and lease expenses	2,847	2,719
	Contractors and consultants	36,970	34,586
	Insurance	1,810	1,670
	Building and utility charges	6,182	5,763
	Assets written off	-	151
	Carbon tax expense	-	350
	Total materials and services	63,046	57,162
Note 12	Grants, contributions and donations		
	Council contributions	4,058	4,695
	Total grants, contributions and donations	4,058	4,695
Note 13	Bad and doubtful debts		
	Building infringements	486	414
	Local laws infringements	498	394
	Other	124	464
	Total bad and doubtful debts	1,108	1,272

Notes to the Financial Report
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Note 14 Depreciation and amortisation			
Depreciation			
Property			
Land improvements		4,120	3,456
Buildings		3,423	3,165
Landfill restoration assets		191	232
Plant and Equipment			
Plant and equipment		1,535	1,611
Furniture and equipment		2,406	2,275
Infrastructure			
Roads, footpaths and bridges		17,179	18,964
Drainage works		2,901	2,895
Car parks		240	225
		<u>31,995</u>	<u>32,823</u>
Amortisation			
Plant and equipment		943	237
Total depreciation and amortisation		<u>32,938</u>	<u>33,060</u>
Note 15 Finance costs			
Interest - borrowings		1,237	930
Interest - finance leases		170	92
Interest - landfill		1,302	-
Total finance costs		<u>2,709</u>	<u>1,022</u>
The increase in finance costs is due to the reduction in the discount rates and increase in the inflation rates used to calculate the landfill provision.			
Note 16 Other expenses			
Auditors' remuneration	36	86	177
Councillors' allowances		390	367
Operating lease rentals		2,108	2,117
Bank charges		400	398
Total other expenses		<u>2,984</u>	<u>3,059</u>
Note 17 Cash and cash equivalents			
Cash at bank and on hand		4,649	6,153
Money market call account		15,138	6,725
Committees of management bank accounts		404	352
Term deposits		99	7,313
Total cash and cash equivalents		<u>20,290</u>	<u>20,543</u>

Notes to the Financial Report
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Note 18 Financial assets			
Term deposits greater than 90 days		24,313	20,166
		24,313	20,166
Non-current			
Unlisted shares at cost - Regional Kitchen Pty Ltd		290	250
		290	250

This investment is a joint venture between 11 Victorian Councils which established the Regional Kitchen project with the aim of ensuring affordable, nutritious and culturally sensitive meals to older and other vulnerable residents. During the 2013/14 financial year, additional shares were purchased in the Regional Kitchen organisation.

Total financial assets	24,603	20,416
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Note 19 Trade and other receivables

Current			
Rates debtors		10,584	9,849
Other debtors		5,390	6,750
Less: provision for doubtful debts - other debtors		(366)	(366)
Net GST receivable		1,703	1,894
		17,311	18,127
Non-current			
Special rate assessment		309	309
		309	309
Total trade and other receivables		17,620	18,436

Under Section 181 of the *Local Government Act* 1989, rates debtors are secured by charges over ratepayers' properties. Other debtors are unsecured.

Other debtors are amounts due to the Council for the provision of other services such as leisure services, local laws, building fees and for the use of landfills. Other debtors also includes amounts relating to government grants.

Non-current debtors are those specific to separate rate, special charge and private street schemes.

Note 20 Non-current assets classified as held for sale

Balance at beginning of the financial year	-	588
Transfer from property, infrastructure, plant and equipment	174	-
Disposals	-	(588)
Total non-current assets classified as held for sale	174	-

Assets held for sale are carried at fair value less cost of disposal. The following table provides Councils fair value measurement hierarchy for assets held for sale:

Asset Class	Carrying value at 30 June	Fair Value measurement at the end of the period		
		Level 1 '000	Level 2 '000	Level 3 '000
Land	174	-	174	-

Note 21 Other assets

Prepayments	585	577
Accrued income	1,159	1,040
Total other assets	1,744	1,617

Notes to the Financial Report
For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
Note 22 Property, plant, equipment and infrastructure		
Summary		
At cost	158,516	210,329
Less accumulated depreciation	<u>(47,706)</u>	<u>(40,800)</u>
	110,810	169,529
At fair value as at 30 June 2014	2,312,960	2,040,602
Less accumulated depreciation	<u>(273,193)</u>	<u>(431,680)</u>
	2,039,767	1,608,922
Total	2,150,577	1,778,451
Property		
Land		
At cost	-	611
At fair value as at 30 June 2014	<u>750,385</u>	<u>784,587</u>
	750,385	785,198
Land improvements		
At cost	57,445	51,308
Less accumulated depreciation	<u>(17,326)</u>	<u>(13,206)</u>
	40,119	38,102
Landfill restoration assets		
At cost	5,912	5,912
Less accumulated depreciation	<u>(2,857)</u>	<u>(2,666)</u>
	3,055	3,246
Land under roads		
At fair value as at 30 June 2014	<u>59,321</u>	<u>51,552</u>
	59,321	51,552
Total Land	852,880	878,098
Buildings		
At cost	3,060	38,646
Less accumulated depreciation	<u>-</u>	<u>(797)</u>
	3,060	37,849
At fair value as at 30 June 2014	134,380	109,583
Less accumulated depreciation	<u>(1,717)</u>	<u>(3,774)</u>
	132,663	105,809
Total Buildings	135,723	143,658
Total Property	988,603	1,021,756

Notes to the Financial Report
For the Year Ended 30 June 2014

	2014	2013
	\$'000	\$'000
Note 22 Property, plant, equipment and infrastructure (cont.)		
<i>Plant and Equipment</i>		
Plant and equipment		
At cost	14,348	14,238
Less accumulated depreciation	<u>(6,377)</u>	<u>(6,114)</u>
	7,971	8,124
Furniture and equipment		
At cost	28,036	25,766
Less accumulated depreciation	<u>(19,314)</u>	<u>(16,908)</u>
	8,722	8,858
Leased plant and equipment		
At cost	3,872	2,730
Less accumulated amortisation	<u>(1,832)</u>	<u>(888)</u>
	2,040	1,842
Heritage and culture		
At cost	438	400
	438	400
Total Plant and Equipment	19,171	19,224
<i>Infrastructure</i>		
Roads, footpaths and bridges		
At cost	1,274	30,937
Less accumulated depreciation	-	(153)
At fair value as at 30 June 2014	924,440	801,005
Less accumulated depreciation	<u>(159,785)</u>	<u>(359,646)</u>
	765,929	472,143
Drainage works		
At cost	402	4,094
Less accumulated depreciation	-	(55)
At fair value as at 30 June 2014	430,370	282,482
Less accumulated depreciation	<u>(108,200)</u>	<u>(64,486)</u>
	322,572	222,035
Car parks		
At cost	-	1,149
Less accumulated depreciation	-	(13)
At fair value as at 30 June 2014	14,064	11,393
Less accumulated depreciation	<u>(3,491)</u>	<u>(3,774)</u>
	10,573	8,755
Total Infrastructure	1,099,074	702,933
<i>Works in progress</i>		
Land improvements	13,873	5,124
Buildings	18,634	14,177
Roads, footpaths and bridges	10,149	14,693
Furniture and equipment	82	-
Heritage and culture	54	26
Car parks	63	-
Drainage Works	874	518
Total Works in progress	43,729	34,538
Total Property, Plant, Equipment and Infrastructure	2,150,577	1,778,451

**Notes to the Financial Report
For the Year Ended 30 June 2014**

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

Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales.

For non-specialised land and non-specialised buildings, an independent valuation was performed by a qualified valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961 to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014. To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

An independent valuation of Council's specialised land and specialised buildings was performed by a qualified valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961. The valuation was performed using both the cost approach and market approach, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land under roads

Land under roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Valuation of land under roads were undertaken by a qualified valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961. The valuation of land under roads is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for road purposes is valued at a discount of 85% - 95% to market value based on legal precedents and valuation methodology with an adjustment of between 60% and 70% made for the Englobo value, 15% for access rights and private interests and 10% for other infrastructure assets within roadways.

Infrastructure

Infrastructure is valued using the cost approach. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence and the asset's condition has also been factored into the calculation.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's infrastructure assets was performed by Mr. David Fricke, a Professional Engineer (Bachelor of Engineering, Civil) & MBA. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2014.

There were no changes in valuation techniques throughout the period to 30 June 2014. For all assets measured at fair value, the current use is considered the highest and best use.

Notes to the Financial Report
For the Year Ended 30 June 2014

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

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increment / (decrement) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals / write offs	Contributed assets (note 6)	Transfers / adjustments	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Specialised land	713,893	-	(45,382)	-	(41)	11,101	-	679,571
Non specialised land	71,305	-	(2,592)	-	-	2,102	-	70,814
Land improvements	38,102	-	-	(4,120)	-	975	5,162	40,119
Landfill restoration assets	3,246	-	-	(191)	-	-	-	3,055
Land under roads	51,552	-	(3,770)	-	-	11,539	-	59,321
Total land	878,098	-	(51,744)	(4,311)	(41)	25,717	5,162	852,880
Specialised buildings	143,658	-	(14,088)	(3,423)	-	-	9,575	135,723
Total buildings	143,658	-	(14,088)	(3,423)	-	-	9,575	135,723
Total property	1,021,756	-	(65,832)	(7,734)	(41)	25,717	14,738	988,603
Plant and Equipment								
Plant and equipment	8,124	4	-	(1,535)	(871)	-	2,249	7,971
Furniture and equipment	8,858	69	-	(2,406)	-	-	2,201	8,722
Leased plant and equipment	1,842	1,141	-	(943)	-	-	-	2,040
Heritage and culture	400	-	-	-	-	-	38	438
Total plant and equipment	19,224	1,214	-	(4,884)	(871)	-	4,488	19,171
Infrastructure								
Roads, footpaths and bridges	472,143	-	283,555	(17,179)	-	13,093	14,317	765,929
Drainage works	222,035	-	92,614	(2,901)	-	9,964	860	322,572
Car parks	8,755	-	1,818	(240)	-	111	130	10,573
Total infrastructure	702,933	-	377,987	(20,320)	-	23,168	15,307	1,099,074
Works in progress								
Land improvements	5,122	14,112	-	-	-	-	(5,361)	13,873
Buildings	14,176	15,270	-	-	-	-	(10,812)	18,634
Roads, footpaths and bridges	14,694	15,537	-	-	-	-	(20,082)	10,149
Furniture and equipment	-	2,555	-	-	-	-	(2,473)	82
Heritage and culture	26	140	-	-	-	-	(111)	55
Car parks	-	227	-	-	-	-	(164)	63
Drainage	519	1,090	-	-	-	-	(734)	874
Plant and equipment	-	2,284	-	-	-	-	(2,284)	-
Total works in progress	34,538	51,214	-	-	-	-	(42,024)	43,729
Total property, plant, equipment and infrastructure	1,778,451	52,428	312,155	(32,938)	(912)	48,885	(7,491)	2,150,577

Notes to the Financial Report
For the Year Ended 30 June 2014

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

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increment / (decrement) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals / write offs	Contributed assets (note 6)	Transfers / adjustments	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	771,806	-	-	-	-	20,749	(7,358)	785,198
Land improvements	34,891	-	-	(3,456)	-	217	6,450	38,102
Landfill restoration assets	3,478	-	-	(232)	-	-	-	3,246
Land under roads	43,553	-	-	-	-	7,999	-	51,552
Total land	853,728	-	-	(3,688)	-	28,965	(909)	878,098
Buildings	130,270	213	-	(3,165)	(151)	-	16,492	143,658
Total buildings	130,270	213	-	(3,165)	(151)	-	16,492	143,658
Total property	983,998	213	-	(6,853)	(151)	28,965	15,583	1,021,756
Plant and Equipment								
Plant and equipment	8,175	4	-	(1,611)	(694)	-	2,251	8,124
Furniture and equipment	9,134	150	-	(2,275)	-	-	1,849	8,858
Leased plant and equipment	393	1,686	-	(237)	-	-	-	1,842
Heritage and culture	324	-	-	-	-	-	77	400
Total plant and equipment	18,026	1,841	-	(4,123)	(694)	-	4,176	19,224
Infrastructure								
Roads, footpaths and bridges	457,989	-	-	(18,964)	-	9,798	23,320	472,143
Drainage works	218,196	-	-	(2,895)	-	4,633	2,103	222,035
Car parks	8,258	-	-	(225)	-	26	695	8,755
Total infrastructure	684,443	-	-	(22,084)	-	14,457	26,119	702,933
Works in progress								
Land improvements	5,182	6,481	-	-	-	-	(6,540)	5,122
Buildings	11,774	20,119	-	-	-	-	(17,717)	14,176
Roads, footpaths and bridges	18,033	19,621	-	-	-	-	(22,960)	14,694
Furniture and equipment	-	1,684	-	-	-	-	(1,684)	-
Heritage and culture	86	22	-	-	-	-	(82)	26
Car parks	-	600	-	-	-	-	(600)	-
Drainage	1,847	1,040	-	-	-	-	(2,368)	519
Plant and equipment	-	1,971	-	-	-	-	(1,971)	-
Total works in progress	36,922	51,538	-	-	-	-	(53,922)	34,538
Total property, plant, equipment and infrastructure	1,723,389	53,592	-	(33,060)	(845)	43,422	(8,044)	1,778,451

Notes to the Financial Report
For the Year Ended 30 June 2014

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

Fair Value Hierarchy

Details of the Council's information about the fair value hierarchy as at 30 June 2014 are as follows:

Asset Class	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Total \$ '000
Land				
Land - non specialised	-	70,814	-	70,814
Land - specialised	-	-	679,571	679,571
Land under roads	-	-	59,321	59,321
Sub total	-	70,814	738,892	809,706
Buildings				
Buildings - specialised	-	-	135,723	135,723
Sub total	-	-	135,723	135,723
Infrastructure				
Roads, footpaths and bridges	-	-	765,929	765,929
Drainage works	-	-	322,572	322,572
Car parks	-	-	10,573	10,573
Sub total	-	-	1,099,074	1,099,074
Grand total	-	70,814	1,973,689	2,044,502

No transfers between levels occurred during the year

Reconciliation of Level 3 fair value

2014	Land	Land Under Roads	Buildings	Roads, Footpaths And Bridges	Drainage	Car Parks	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening Balance	713,893	51,552	143,658	472,143	222,035	8,755	1,612,036
Depreciation	-	-	(3,423)	(17,179)	(2,901)	(240)	(23,743)
Revaluation	(45,382)	(3,770)	(14,088)	283,555	92,614	1,818	314,747
Contributed assets	11,101	11,539	-	13,093	9,964	111	45,808
Acquisitions (Disposals)	(41)	-	0	0	0	0	(41)
Transfers	-	-	9,575	-	-	-	9,575
Closing Balance	679,571	59,321	135,723	751,612	321,712	10,444	1,958,382

Description of significant unobservable inputs into Level 3 valuations

Asset Class	Valuation Technique	Significant Unobservable Inputs	Area (sq. metres)	Range \$	Sensitivity
Specialised land	Market approach	Extent and impact of restriction of use Unit Site Chart Block Value Englobo Value Industrial Chart Commercial Chart	600 to 10,000 25 to 110,000 1 to 50,000 300 to 50,000 10,000 to 2,000,000	\$175 to \$525 \$9 to \$1,890 \$66 to \$2,060 \$34 to \$550 \$10 to \$235	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Land under roads	Market approach	Extent and impact of restriction of use		\$7.5 to \$468 (discounted 85% -90%)	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Specialised buildings	Cost approach/ Market approach	Direct cost per square metre / Market based direct comparison Useful life of buildings Condition of specialised buildings		\$700 to \$2,400 50 years	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Roads, footpaths and bridges	Cost approach	Cost per unit Useful life of roads, footpaths and bridges Condition of roads, footpaths and bridges		\$7 to \$489 12 to 75 years	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value. Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Drainage works	Cost approach	Cost per unit Pits Pipes Useful life of Drainage		\$710 to \$65,000 \$98 to \$1,680 100 years	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value. Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Car parks	Cost approach	Cost per unit Useful life of Car Parks		\$7 to \$489 12 to 75 years	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value. Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.

Notes to the Financial Report
For the Year Ended 30 June 2014

	2014	2013
	\$'000	\$'000
Note 23 Investment property		
Land		
Balance at beginning of the financial year	46,287	38,318
Transfers to property, plant, equipment and infrastructure	(174)	7,969
Disposals	(15)	-
Fair value adjustments	(343)	-
Balance at end of the financial year	45,755	46,287
Buildings		
Balance at beginning of the financial year	4,725	4,652
Transfers from property, plant, equipment and infrastructure	444	73
Fair value adjustments	(195)	-
Balance at end of the financial year	4,974	4,725
Total investment property at end of the financial year	50,729	51,012

Valuation of investment property has been determined by a qualified valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961, who has recent experience in the location and category of the property being valued. The valuation is a level two valuation, meaning it is based on quoted prices for similar assets in an active market.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2014.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

Fair Value Hierarchy

Details of the Council's information about the fair value hierarchy as at 30 June 2014 are as follows:

Asset Class	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period:		
		Level 1	Level 2	Level 3
	\$ '000	\$ '000	\$ '000	\$ '000
Land	45,755	-	45,755	-
Buildings	4,974	-	4,974	-
Grand total	50,729	-	50,729	-

Note 24 Trade and other payables

Trade payables	13,609	19,786
Accrued other expenses	142	1,048
Accrued salaries and wages	2,039	1,539
Total trade and other payables	15,790	22,373

Note 25 Trust funds and deposits

Current

Other refundable deposits	1,528	922
	1,528	922

Non-current

Landfill account customer deposits	22	40
Contract payment retentions	325	691
Town hall deposits	76	127
MAB/Airport trust	99	67
Landscaping bonds	412	757
Subdivision bonds	89	384
Property lease	6	-
Other refundable deposits	67	53
	1,096	2,119
Total trust funds and deposits	2,624	3,041

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 26 Provisions

	Employee benefits					Total
	Annual leave	Long service leave	Other employee benefits	Landfill rehabilitation and after care	Carbon tax provision	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2014						
Balance at beginning of the financial year	6,545	12,782	240	6,745	350	26,662
Additional provisions	6,547	3,113	377	73	-	10,110
Amounts used	(5,733)	(1,267)	(352)	(172)	-	(7,524)
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(14)	11	-	1,302	-	1,299
Balance at end of the financial year	7,345	14,639	265	7,948	350	30,547

2013

Balance at beginning of the financial year	5,975	11,966	292	7,012	-	25,245
Additional provisions	5,585	1,718	150	120	350	7,925
Amounts used	(5,017)	(888)	(202)	(299)	-	(6,406)
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	2	(14)	-	(88)	-	(101)
Balance at end of the financial year	6,545	12,782	240	6,745	350	26,662

(a) Employee benefits	2014	2013
	\$'000	\$'000
Current provisions expected to be settled within 12 months (i)		
Annual leave	3,589	4,926
Long service leave	1,181	1,214
Other	261	236
Total	5,031	6,376
Current provisions expected to be settled after 12 months (i)		
Annual leave	3,756	1,619
Long service leave	11,386	9,600
Total	15,142	11,219
Non-current (ii)		
Long service leave	2,072	1,968
Other	4	4
Total	2,076	1,972
Aggregate carrying amount of employee benefits:		
Current	20,173	17,595
Non-current	2,076	1,972
Total	22,249	19,567

The following assumptions were adopted in measuring employee benefits:

Weighted average increase in employee costs	3.75%	4.00%
Weighted average discount rates	3.13%	3.27%
Weighted average settlement period	12	12

(i) Current

All annual leave and the long service leave entitlements representing seven or more years.

Council is required to separately disclose current provisions that are expected to be settled within 12 months (measured at undiscounted amounts) and those expected to be settled after 12 months (discounted to NPV).

(ii) Non-current

Long service leave representing less than seven years of continuous service measured at present value.

Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.

Note 26 Provisions (cont.)

(b) Landfill rehabilitation and aftercare provision

Under the Environment Protection Act 1970 Council is obligated to restore the Bolinda Rd and Riddell Rd landfill sites to a particular standard. The Bolinda Rd site has ceased operating as a landfill and rehabilitation works are substantially complete. The site is currently operating as a Resource Recovery Centre / Waste Transfer Station. With respect to the Riddell Rd site, current projections indicate that the landfill operations will cease in 2030 and restoration work is expected to commence shortly thereafter. The forecast life of the Riddell Rd site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation 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 the 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.

Council does not expect to receive reimbursement from a third party.

	2014	2013
	\$'000	\$'000
Current		
Rehabilitation and aftercare costs	<u>105</u>	<u>172</u>
	105	172
Non-current		
Rehabilitation and aftercare costs	<u>7,843</u>	<u>6,573</u>
	7,843	6,573
Total landfill provisions	<u>7,948</u>	<u>6,745</u>
(c) Carbon tax provision		
Current		
Provision for carbon tax liability	<u>28</u>	<u>28</u>
	28	28
Non current		
Provision for carbon tax liability	<u>322</u>	<u>322</u>
	322	322
Total carbon tax provision	<u>350</u>	<u>350</u>
(d) Total provisions		
Current	20,306	17,795
Non-current	<u>10,241</u>	<u>8,867</u>
Total	<u>30,547</u>	<u>26,662</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

	2014 \$'000	2013 \$'000
Note 27 Interest-bearing loans and borrowings		
Current		
Borrowings	712	700
Borrowings - superannuation	14,250	436
	<u>14,962</u>	<u>1,136</u>
Non-current		
Borrowings	12,070	12,781
	<u>12,070</u>	<u>12,781</u>
Total	<u>27,032</u>	<u>13,917</u>
The maturity profile for Council's borrowings is:		
Not later than one year	14,962	1,136
Later than one year and not later than five years	3,343	3,137
Later than five years	8,727	9,644
Total	<u>27,032</u>	<u>13,917</u>
The increase in the current interest bearing loans and borrowings is due to a short term funding arrangement for the unfunded Defined Benefits Plan liability payable to Vision Super which is due to mature in March 2015. The non-current liability has reduced in accordance with scheduled repayments.		
Finance leases		
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
Not later than one year	666	410
Later than one year and not later than five years	2,304	1,758
Total minimum lease payments	2,970	2,168
Less: Future finance charges	(390)	(333)
Recognised in the balance sheet as:	<u>2,580</u>	<u>1,835</u>
Current		
Leases	504	287
Non-current		
Leases	2,076	1,548
Total	<u>2,580</u>	<u>1,835</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	15,466	1,422
Non-current	14,146	14,329
Total interest-bearing loans and borrowings	<u>29,612</u>	<u>15,751</u>

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 28 Reserves

	Balance at beginning of financial year	Increment / (decrement)	Balance at end of financial year
(a) <i>Asset revaluation reserves</i>	\$'000	\$'000	\$'000
2014			
Property			
Land	514,758	(47,974)	466,784
Buildings	26,371	(14,088)	12,283
Land under roads	11,761	(3,770)	7,991
	<u>552,890</u>	<u>(65,832)</u>	<u>487,058</u>
Plant and equipment			
Plant and equipment	285	-	285
	<u>285</u>	<u>-</u>	<u>285</u>
Infrastructure			
Car parks	2,979	1,818	4,797
Roads, footpaths and bridges	95,137	283,555	378,692
Drainage works	60,037	92,614	152,651
	<u>158,153</u>	<u>377,987</u>	<u>536,140</u>
Investment property			
Land	33,297	-	33,297
Buildings	328	-	328
	<u>33,625</u>	<u>-</u>	<u>33,625</u>
Total asset revaluation reserves	744,953	312,155	1,057,108

The revaluation decrement for land, buildings and land under road is consistent with the general revaluation decrement across the municipality. The revaluation increment on infrastructure assets reflects current construction costs as determined by recent subdivision activity.

2013

Property			
Land	514,758	-	514,758
Buildings	26,371	-	26,371
Land under roads	11,761	-	11,761
	<u>552,890</u>	<u>-</u>	<u>552,890</u>
Plant and equipment			
Plant and equipment	285	-	285
	<u>285</u>	<u>-</u>	<u>285</u>
Infrastructure			
Car parks	2,979	-	2,979
Roads, footpaths and bridges	95,137	-	95,137
Drainage works	60,037	-	60,037
	<u>158,153</u>	<u>-</u>	<u>158,153</u>
Investment property			
Land	33,297	-	33,297
Buildings	328	-	328
	<u>33,625</u>	<u>-</u>	<u>33,625</u>
Total asset revaluation reserves	744,953	-	744,953

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) <i>Other reserves</i>	\$'000	\$'000	\$'000	\$'000
2014				
Recreation land	2,500	948	(2,032)	1,415
Development levies	8,362	4,834	(166)	13,030
Conditional grants	6,571	5,352	(6,571)	5,353
Reserve - landfills	500	-	-	500
Investment reserve	2,306	-	-	2,306
Total other reserves	20,239	11,134	(8,769)	22,604
2013				
Recreation land	1,310	2,255	(1,065)	2,500
Development levies	7,761	2,625	(2,024)	8,362
Conditional grants	9,506	6,571	(9,506)	6,571
Reserve - landfills	500	-	-	500
Investment reserve	1,966	340	-	2,306
Total other reserves	21,043	11,791	(12,595)	20,239

The recreation land and development levies reserves are restricted reserves whereby funds are required to be spent on specific projects in accordance with the monies received.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

	2014	2013
	\$'000	\$'000
Note 29		
Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	52,361	57,344
Depreciation and amortisation	32,938	33,060
Loss on disposal of property, plant, equipment and infrastructure	90	12
Contributions - non-monetary assets	(48,885)	(43,422)
Asset written off	-	151
Capital works expensed	7,049	3,681
Asset capitalised from operating expenses	(73)	(367)
Fair value adjustments for investment property	538	-
Finance costs	1,407	1,022
GST refund for investing activities	6,182	5,609
<i>Change in assets and liabilities:</i>		
Increase in rates debtors	(735)	(540)
(Increase) / decrease in other debtors	1,551	(992)
Increase in provision for doubtful debts	-	40
Increase in other assets	(127)	(540)
Increase / (decrease) in trade and other payables	(921)	(14,252)
Increase / (decrease) in trust funds and deposits	(416)	1,174
Increase in provisions	3,884	1,418
Net cash provided by operating activities	54,843	43,398

Note 30 **Financing arrangements**

Council currently has no bank overdraft or other financing facilities in place.

Note 31 **Superannuation**

Hume City 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. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Hume City Council and Hume City Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12% will be delayed until 2022.

Note 31 **Superannuation (cont.)**

Defined Benefit

As provided under Paragraph 34 of AASB 119, Hume City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, 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 Hume City Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Hume City 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 employer funding arrangements comprise of the following three components:

1. Regular contributions – which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

Hume City Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

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 31 December 2011, Hume City 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 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Hume City Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 31 Superannuation (cont.)

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund 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. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Hume City Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- the service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- the service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- the pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll 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. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

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.

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in Hume City Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 31 Superannuation (cont.)

Retrenchment increments

During 2013-14, Hume City Council was not required to make payments to the Fund in respect of retrenchment increments (nil in 2012/13). Hume City Council's liability to the Fund as at 30 June 2014, for retrenchment increments, accrued interest and tax is nil (nil in 2012/13).

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Hume City Council is a contributing employer.

Hume City Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. Hume City Council has not been advised of any further adjustments.

Hume City Council's share of the shortfall amounted to \$11.29 million (including contributions tax) which was accounted for in the 2011/12 Comprehensive Income Statement within Employee Benefits and in the Balance Sheet in Current Liabilities Provisions.

No further amount has been accounted for in the 2013/14 Comprehensive Income Statement within Employee Benefits (see Note 10) and in the Balance Sheet in Current Liabilities Provisions (see Note 26) (nil in the 2012/13 Comprehensive Income Statement with Employee Benefits and nil in the 2012/13 Balance Sheet in Current Liabilities Provisions).

The amount of the unpaid shortfall at 30 June 2014 is nil (nil unpaid amount for 2012/13).

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31-Dec-11
	\$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	<u>(326,809)</u>
 Vested Benefits	 4,838,503
(Minimum sum which must be paid to members when they leave the fund)	

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

Superannuation contributions

Contributions by Hume City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

Scheme	Type of scheme	Rate	2014	2013
			\$'000	\$'000
Vision Super	Defined benefits	9.25%	647	653
Vision Super	Accumulation Plan	9.25%	4,767	4,160
Other super funds	Various	9.25%	1,337	1,209
	Total		6,751	6,022

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$0.64 million.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

	2014	2013
	\$'000	\$'000
Note 32		
Commitments		
The Council has entered into the following commitments:		
Operating		
Waste collection	18,871	22,739
Local Laws traffic management	-	143
Maintenance	139	38
Cleaning public toilets, bbq's, shelters and public buildings	353	953
Security services	403	154
Hume libraries	128	125
Other	66	345
Total	19,959	24,498
Capital		
Buildings	7,052	13,072
Road construction and development	709	2,342
Other	2,521	694
Total	10,282	16,108
Total commitments	30,241	40,606
Not later than 1 year	16,008	21,618
Later than 1 year and not later than 5 years	11,702	14,856
Later than 5 years	2,531	4,132
	30,241	40,606
Note 33		
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	744	1,082
Later than one year and not later than five years	560	971
Total operating lease commitments	1,304	2,053
Note 34		
Contingent liabilities and contingent assets		
Contingent liabilities		
The Council is presently involved in some confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
As at 30 June 2014, current public liability claims excess which are considered to have a financial exposure for Council was \$120,000 (2012/13, \$60,000).		
Contingent assets		
Developer contributions to be received in respect of estates currently under development total \$58 million (2012/13, \$34 million).		

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 35 Financial instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
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Financial assets

Cash and cash equivalents	17	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments are held to maximise interest returns of surplus cash.</p>	<p>On call deposits returned a floating interest rate of 2.59% (3.14% in 2012/13). The interest rate at balance date was 2.6% (2.85% in 2012/13). Funds returned fixed interest at a rate of 3.7% (4.6% in 2012/13) net of fees.</p>
Financial assets	18	<p>Equity instruments are initially measured at cost with gains and losses recognised directly in equity through the Statement of Changes in Equity except for impairment losses which shall be recognised in profit and loss. Dividends are recognised in profit and loss when the entity's right to receive payment is established.</p> <p>Term deposits are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest is recognised as it accrues.</p>	<p>Unlisted shares measured at cost.</p> <p>Funds returned fixed interest at a rate of 3.75% (4.08% in 2012/13) net of fees.</p>

Trade and other receivables

Other debtors	19	<p>Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>The provision for other doubtful debts is calculated based on amounts in excess of 180 days old where no payments have been received from the debtor in the last three months. General debtors are unsecured. Credit terms are based on 14 days.</p>
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Financial Liabilities

Trade and other payables	24	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.</p>
Interest-bearing loans and borrowings	27	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p> <p>Finance leases are accounted for at their principle amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings was 6.35% (6.35% in 2012/13).</p> <p>As at balance date, the Council had finance leases with an average lease term of 4 years. The weighted average rate implicit in the lease is 7.06% (7.6% in 2012/13).</p>

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 35 Financial instruments (cont.)

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised (nil), at balance date are as follows:

2014			Fixed interest maturing in:					
	Weighted average interest rate		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	Floating	Fixed	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	%	%						
Cash and cash equivalents	2.59	3.70	20,182	99	-	-	9	20,290
Trade and other receivables			-	-	-	-	5,024	5,024
Term deposits greater than 90 days		3.75	-	24,313	-	-	-	24,313
Other assets			-	-	-	-	1,449	1,449
Total financial assets			20,182	24,412	-	-	6,482	51,076
Financial liabilities								
Trade and other payables			-	-	-	-	15,790	15,790
Trust funds and deposits			-	-	-	-	2,624	2,624
Finance leases		7.06	-	504	2,076	-	-	2,580
		6.35						
Interest-bearing loans and borrowings			-	14,962	3,343	8,727	-	27,032
Total financial liabilities			-	15,466	5,419	8,727	18,414	48,027
Net financial assets / (liabilities)			20,182	8,946	(5,419)	(8,727)	(11,932)	3,049

2013	Fixed interest maturing in:							
	Weighted average interest rate		Floating Interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	Floating	Fixed	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	%	%						
Cash and cash equivalents	3.14	4.60	13,221	7,313	-	-	9	20,543
Trade and other receivables			-	-	-	-	6,384	6,384
Term deposits greater than 90 days		4.08	-	20,166	-	-	-	20,166
Other assets			-	-	-	-	1,290	1,290
Total financial assets			13,221	27,479	-	-	7,683	48,383
Financial liabilities								
Trade and other payables			-	-	-	-	22,373	22,373
Trust funds and deposits			-	-	-	-	3,041	3,041
Finance leases		7.60	-	287	1,548	-	-	1,835
		6.35						
Interest-bearing loans and borrowings			-	1,136	3,137	9,644	-	13,917
Total financial liabilities			-	1,423	4,685	9,644	25,414	41,166
Net financial assets / (liabilities)			13,221	26,056	(4,685)	(9,644)	(17,731)	7,217

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 35 Financial instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised (nil), at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<i>(1) Financial assets</i>				
Cash and cash equivalents	20,290	20,543	20,290	20,543
Term deposits	24,313	20,166	24,313	20,166
Trade and other receivables	5,024	6,384	5,024	6,384
Other assets	1,449	1,290	1,449	1,290
Total financial assets	51,076	48,383	51,076	48,383
<i>(2) Financial liabilities</i>				
Trade and other payables	15,790	22,373	15,790	22,373
Trust funds and deposits	2,624	3,041	2,624	3,041
Finance leases	2,580	1,835	2,580	1,835
Interest-bearing loans and borrowings	27,032	13,917	27,032	13,917
Total Financial liabilities	48,027	41,166	48,027	41,166

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and Mitigation

The risks associated with our main financial instruments and our policies for minimising risks are detailed below.

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 are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest-bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Transport Planning and Local Infrastructure each year.

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:

- conformity with State and Federal regulations and standards;
- capital protection;
- appropriate liquidity;
- diversification by credit rating, financial institution and investment product;
- monitoring of returns on investments; and
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 35 Financial instruments (cont.)

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.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

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 on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- 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 exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities of financial liabilities.

These amounts represent undiscounted gross payments including both principal and interest repayments on borrowings.

2014	6mths	6 - 12	1 - 2	2 - 5	>5	Contracted	Carrying
	or less	Months	Years	Years	Years	Cash Flow	Amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Trade and other payables	15,790	-	-	-	-	15,790	15,790
Trust funds and deposits	764	764	1,096	-	-	2,624	2,624
Interest-bearing loans and borrowings	758	15,008	1,515	4,546	10,986	32,813	29,612
Total Financial Liabilities	17,312	15,772	2,612	4,546	10,986	51,227	48,026

2013	6mths	6 - 12	1 - 2	2 - 5	>5	Contracted	Carrying
	or less	Months	Years	Years	Years	Cash Flow	Amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Trade and other payables	22,373	-	-	-	-	22,373	22,373
Trust funds and deposits	461	461	2,119	-	-	3,041	3,041
Interest-bearing loans and borrowings	1,190	1,222	1,987	5,832	12,502	22,732	15,751
Total Financial Liabilities	24,024	1,683	4,106	5,832	12,502	48,146	41,165

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 35 Financial instruments (cont.)

(f) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia):

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 2.5%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Market risk exposure	Interest rate risk				
	-2%		1%		
	200 basis points		100 basis points		
	Carrying amount	Profit	Equity	Profit	Equity
2014	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	20,290	(406)	(406)	203	203
Term deposits greater than 90 days	24,313	(486)	(486)	243	243

(g) Fair value hierarchy

All financial assets carried at fair value are measured at quoted prices in active markets for identical assets or liabilities.

Note 36 Auditors' remuneration

	2014	2013
	\$'000	\$'000
Audit fee to conduct external audit - Victorian Auditor-General	64	66
Internal audit fees - Deloitte Touche Tohmatsu	-	100
Audit fees - acquittal audits - non Victorian Auditor-General	22	11
Total auditors' remuneration	86	177

Internal audit services were performed inhouse during the 2014 year.

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 37 Related party transactions

(i) Responsible Persons

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

Councillors	Councillor Helen Patsikatheodorou
	Councillor Jack Ogilvie
	Councillor Ann Potter
	Councillor Drew Jessop
	Councillor Adem Atmaca
	Councillor Vic Dougall
	Councillor Geoff Porter (Mayor 1/07/2013 to 31/10/2013)
	Councillor Steve Medcraft
	Councillor Alan Bolton
	Councillor Casey Nunn (Mayor 31/10/2013 to Current)
	Councillor Chandra Bamunusinghe

Chief Executive Officer Domenic Isola

(ii) Remuneration of Responsible Persons

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

	2014	2013
	No.	No.
\$0 - \$9,999	-	1
\$20,000 - \$29,999	9	11
\$40,000 - \$49,999	1	-
\$70,000 - \$79,999	1	1
\$310,000 - \$319,999	-	1
\$340,000 - \$349,999	1	-
	<u>12</u>	<u>14</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	733	686

(iii) No retirement benefits have been made by the Council to a Responsible Person (2012/13, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/13, Nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2012/13, Nil).

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 37 Related party transactions (cont.)

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000.

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

	2014	2013
Income Range:	No.	No.
\$130,000 - \$139,999	3	-
\$140,000 - \$149,999	1	5
\$150,000 - \$159,999	5	10
\$160,000 - \$169,999	11	2
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	2
\$190,000 - \$199,999	2	-
\$210,000 - \$219,999	2	2
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	2	1
\$250,000 - \$259,999	1	-
	28	25

(i) The above amounts include termination payments where applicable.

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	4,896	4,286

Notes to the Financial Report
For the Year Ended 30 June 2014

Income, expenditure and assets by function / activities																						
	ACCOUNTABLE LEADERSHIP		ECONOMY		TRANSPORT		LEARNING		SOCIAL INCLUSION		HEALTH, SAFETY AND WELLBEING		ARTS, LEISURE AND RECREATION		APPEARANCE OF THE CITY		ASSET MANAGEMENT		NATURAL ENVIRONMENT		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
INCOME																						
Grants	6,388	12,620	134	443	-	-	1,260	1,195	547	600	19,125	18,226	93	197	483	395	-	-	111	6	28,141	33,682
Other	196,628	180,807	4,463	3,373	20	214	621	453	8	10	5,130	4,804	6,190	5,984	4,036	4,033	1,599	1,142	5,588	4,358	224,283	205,178
TOTAL	203,016	193,427	4,597	3,816	20	214	1,881	1,648	555	610	24,255	23,030	6,283	6,181	4,519	4,428	1,599	1,142	5,699	4,364	252,424	238,860
EXPENSES	(96,422)	(85,909)	(3,706)	(3,354)	(2,785)	(2,415)	(7,165)	(6,704)	(2,752)	(2,467)	(29,557)	(28,085)	(11,096)	(10,503)	(31,978)	(29,048)	(2,796)	(2,438)	(11,806)	(10,593)	(200,063)	(181,516)
SURPLUS/(DEFICIT) FOR THE YEAR	106,594	107,518	891	462	(2,765)	(2,201)	(5,284)	(5,056)	(2,197)	(1,857)	(5,302)	(5,055)	(4,813)	(4,322)	(27,459)	(24,620)	(1,197)	(1,296)	(6,107)	(6,229)	52,361	57,344
ASSETS ATTRIBUTED TO FUNCTION / ACTIVITY^	1,091,990	894,735	41,971	34,932	31,540	25,152	81,144	69,822	31,167	25,694	334,736	292,503	125,664	109,388	362,155	302,533	31,665	25,392	133,704	110,325	2,265,737	1,890,475

^aCouncils Activities/Themes are categorised into the following broad functions:

Accountable Leadership

To operate with integrity and openness in providing the highest level of representation and advocacy for the community.

Economy

Provide a proactive and supportive environment to sustain and expand existing businesses in Hume, attract a diversified range of new business investment, and create opportunities for residents in Hume to take up employment in these businesses.

Transport

Plan, advocate for and provide safe alternative transport networks and options that service existing businesses, business investment and community connectedness.

Learning

Enhance life experience, employment opportunities and contributions to the community by inspiring and facilitating the participation of Hume residents in lifelong learning, regardless of age, ability or ethnicity, resulting in reduced disadvantage and improved quality of life.

Social Inclusion

To undertake initiatives which increase social, civic and economic participation by individuals and groups in Hume community life to support individual fulfilment whilst strengthening a culturally rich, cohesive and respectful community.

Health, Safety and Wellbeing

To plan, provide and/or advocate for services that enable Hume residents of all ages to pursue a healthy and safe lifestyle that contributes to overall wellbeing.

Arts, Leisure and Recreation

To facilitate opportunities for Hume residents of all ages and abilities to lead an active life through participation in arts, leisure and recreation activities by facilitating and/or providing programs and support.

Appearance of City

To undertake programs to enhance a sense of community pride and the cleanliness, maintenance and appearance of public and private land.

Asset Management

To provide a network of sustainable infrastructure that services the community to prescribed levels.

Natural Environment

To ensure the protection and enhancement of Hume's biodiversity, natural values and ecological systems, and to reduce the environmental impact of the Hume community. This will be undertaken through the adoption of sustainable management practices, systems and infrastructure.

Notes to the Financial Report
For the Year Ended 30 June 2014

Note 39 Financial ratios (Performance indicators)		2014	2014	2013	2013	2012	2012
		\$'000	(%)	\$'000	(%)	\$'000	(%)
(a)	Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
	<u>Debt servicing costs</u>	1,407		1,022		1,140	
	Total income	256,149	= 0.55%	238,860	= 0.43%	245,036	= 0.47%
	Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
	The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b)	Debt commitment ratio (to identify Council's debt redemption strategy)						
	<u>Debt servicing & redemption costs</u>	2,939		2,328		4,796	
	Rate and charges	127,582	= 2.30%	118,189	= 1.97%	108,214	= 4.43%
	The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
	The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
(c)	Revenue ratio (to identify Council's dependence on non-rate income)						
	<u>Rate and charges</u>	127,582		118,189		108,214	
	Total income	256,149	= 49.81%	238,860	= 49.48%	245,036	= 44.16%
	The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
(d)	Debt Exposure Ratio (to identify Council's exposure to debt)						
	<u>Total indebtedness</u>	78,573		67,827		72,826	
	Total realisable assets	1,103,849	= 7.12%	1,132,344	= 5.99%	1,106,332	= 6.58%
	For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
	The following assets are excluded from total assets when calculating Council's realisable assets: Land and buildings on Crown land; restricted assets; heritage assets and total infrastructure assets.						
	This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.						
(e)	Working Capital Ratio (to assess Council's ability to meet current commitments)						
	<u>Current assets</u>	63,832		60,453		71,212	
	Current liabilities	53,090	= 120.23%	42,512	= 142.20%	47,749	= 149.14%
	The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
(f)	Adjusted working capital ratio (to assess Council's ability to meet current commitments)						
	<u>Current assets</u>	63,832		60,453		71,212	
	Current liabilities	37,948	= 168.21%	32,617	= 185.34%	38,739	= 183.83%
	The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
	Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, but is not likely to fall due within 12 months after the end of the period.						

Notes to the Financial Report
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Note 40 Capital expenditure			
Roads and traffic - preservation		5,958	5,376
Roads and traffic - new works		5,848	9,922
Footpath infrastructure		3,678	3,847
Drainage infrastructure		1,090	1,040
Major leisure facilities		10,094	12,477
Parks and reserves		6,756	6,051
Community facilities		10,564	7,047
Landfill Infrastructure		2,046	693
Town activity centres		287	1,268
Civic / corporate		4,966	4,183
Total capital works		51,287	51,904

Represented by:

New	(a)	23,938	25,507
Upgrade	(b)	11,953	13,765
Renewal	(c)	15,396	12,632
Total capital works		51,287	51,904

Property, plant, equipment and infrastructure movement

Total acquisitions	22	51,287	51,904
Asset revaluation movement	22	312,155	-
Depreciation and amortisation	14	(32,938)	(33,060)
Written down value of assets sold / asset write offs	22	(912)	(845)
Contributions - non-monetary	6(b)	48,885	43,422
Finance lease		1,141	1,686
Net transfers	22	(7,491)	(8,044)
Net movement in property, plant, equipment and infrastructure	22	372,126	55,062

(a) New asset expenditure

Expenditure which creates a new asset that provides a new service that did not previously exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.

(b) Asset upgrade expenditure

Expenditure which enhances an existing asset to provide a higher level of service or that will increase the life of the asset beyond that which it originally had. Asset upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

(c) Asset renewal expenditure

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it originally had. Asset renewal expenditure reinstates existing assets, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

Note 41 Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	Summary	Application Date	Impact on Council
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> · Amortised cost – those assets with 'basic' loan features'. · Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). · Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> · Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. · There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. <p>Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</p>	1/07/2015	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.</p> <p>This will also create a requirement to measure some instruments annually that has not previously existed.</p>
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1/07/2014	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to assess the nature of its relationships with other entities, including those that are currently not consolidated.
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1/07/2014	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	<p>This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.</p>	1/07/2014	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1/07/2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1/07/2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1/07/2014	Council has yet to determine the impact of this standard.

Certification of the Financial Report

Statement by Principal Accounting Officer

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, *Australian Accounting Standards* and other mandatory professional reporting requirements.



Robert Costa, B.Bus(Acc), CPA
Principal Accounting Officer
Date: 8 September 2014
Melbourne

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Hume City Council for the year ended 30 June 2014 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 on 8 September 2014 to certify the financial statements in their final form.



Drew Jessop
Councillor
Date: 8 September 2014
Melbourne



Casey Nunn
Mayor
Date: 8 September 2014
Melbourne



Domenic Isola
Chief Executive Officer
Date: 8 September 2014
Melbourne

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hume City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2014 of the Hume City Council which comprises comprehensive income statement, statement of financial position, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Hume City Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Hume City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Hume City Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

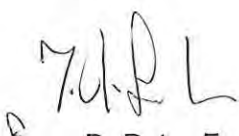
Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Hume City Council for the year ended 30 June 2014 included both in the Hume City Council's annual report and on the website. The Councillors of the Hume City Council are responsible for the integrity of the Hume City Council's website. I have not been engaged to report on the integrity of the Hume City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
18 September 2014


Dr Peter Frost
Acting Auditor-General

The Performance Statement has been prepared in accordance with the *Local Government Act* 1989 and the Local Government (Finance and Reporting) Regulations 2004.

The Council is required to prepare and adopt an Annual Budget and monitor the achievement of the Key Strategic Activities (KSA) contained in the budget against targets. The targets for the KSAs which are used to monitor the achievement of the plan are determined in accordance with legislation at the beginning of the Annual Budget Year. Under Section 127 of the *Local Government Act* 1989, the 2013/14 Annual Budget includes a list of separately identified KSAs (referred to in the Budget as "Strategic Objectives") that Council will undertake in the 2013/14 financial year. The extent to which Council has achieved the KSAs has been assessed. The results are shown below:

Strategic Objective	Strategic Activity	Performance Measure	Performance Target	Achieved / Not Achieved	Comment
Accountable Leadership	Develop Hume Horizons 2040, a long term plan for the Hume community	Adopted by Council	30 June 2014	Achieved	The final version of the plan was adopted by Council on 26 May 2014, and the Council Plan 2013-2017 has been redeveloped to align it with Council's long term community plan. In developing Hume Horizons 2040, more than 4500 comments from over 1000 stakeholders were collected during the plan's development.
Economy	Undertake the Statutory Review of the Municipal Strategic Statement.	Report to Council on the implications of the Review	30 June 2014	Achieved	The Review of the Hume MSS has been completed and is to be implemented following finalisation of the State Governments review of the State Planning Framework.
Transport	Undertake two major Transport projects - Aitken Boulevard - A major upgrade to Konagaderra Road	- Craigieburn Road – Mt Ridley Road - Havelock Road – Deep Creek Road	- Open to traffic - Completion of widening works	Achieved	This whole section was opened to traffic in October 2013. The section from Havelock road to Wildwood Road has been widened to nine metres – this was completed in March 2014.
Learning	Develop the Learning Together 4 Action Plan 2013-2017	Adopted by Council	31 March 2014	Achieved	Adopted by Council on 14 October 2013.
Social Inclusion	Develop a plan to guide the future delivery of HACC services in Hume, including, increasing the accessibility of Council's HACC programs for CALD communities.	Home and Community Care service uptake by Culturally and Linguistically Diverse, and Aboriginal and Torres Strait Islander communities is increased.	3% per annum	Achieved	Number of ATSI clients accessing services increased by 14%; number of CALD clients accessing services increased by 4%
Health, Safety and Wellbeing	Complete and publish the 2013-17 Municipal Public Health and Wellbeing Plan	Adopted by Council	31 October 2013	Not Achieved	The Hume Health and Wellbeing Plan 2013-17 was endorsed by Council on December 9 2013 after an extensive planning and consultation period with internal and external stakeholders and community. A Year 1 action plan (January 2014-December 2014) was also endorsed.
Leisure and Recreation	Completion of two major recreation facility projects	- Stage One of a Regional Soccer facility Development at the John Ilhan Memorial Reserve - Stage One of the Hume Regional Tennis including a community pavilion, 24 courts and car parking	- 100% complete and operational - 100% complete and operational	Achieved Not Achieved	Project completed and facility now fully functional. Due to weather conditions only outstanding works is the surfacing of the courts to be completed in the warmer weather in November 2014.
Appearance of the City	Implement the Waste Management Strategy: - community waste collection days - Introduce home composting systems - Examine the opportunities of converting waste to energy, including methane gas harvesting at the Sunbury Landfill	- Number of days - Number of Residents - Report to Council	- 3 per annum - 200 per annum - 30 June 2014	Not Achieved Not Achieved Achieved	Only 1 collection in 2013-2014. Two community waste collections scheduled for October and November 2014. Significant progress. Home composting program was launched in late May 2014. Program ongoing and significant resident engagement in the current financial year. Requests for expressions of interest sent to 14 organisations in early 2014. No tenders from industry received due to uncertainty of carbon tax. Relevant industries will be contacted again in later 2014 once carbon legislation is finalised.
Natural Environment	Develop a Native Vegetation Protection Policy	Adopted by Council.	31 December 2013	Not Achieved	Completing the action relied on changes to State Government Native Vegetation Legislation which was finalised on 20 December 2013. This work has now been incorporated into an internal department Environmental Planning Policy Audit which was started in January 2014.

Certification of the Performance Statement

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying performance statement of the Hume City Council in respect of the 2013/14 financial year is presented fairly in accordance with the *Local Government Act 1989*.

The statement outlines the performance targets and measures set out in relation to the achievement of the 2013/14 Annual Budget and describes the extent to which the performance targets and measures were met in that year.

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



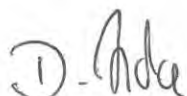
Drew Jessop
Councillor

Date: 8 September 2014
Melbourne



Casey Nunn
Mayor

Date: 8 September 2014
Melbourne



Domenic Isola
Chief Executive Officer

Date: 8 September 2014
Melbourne

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hume City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Hume City Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Hume City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Independent Auditor's Report (continued)


Auditor's Opinion

In my opinion, the performance statement of the Hume City Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Hume City Council for the year ended 30 June 2014 included both in the Hume City Council's annual report and on the website. The Councillors of the Hume City Council are responsible for the integrity of the Hume City Council's website. I have not been engaged to report on the integrity of the Hume City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
18 September 2014


Dr Peter Frost
Acting Auditor-General