



# HUME CITY COUNCIL **ANNUAL REPORT** **2011–2012**

INCORPORATING –

- STANDARD STATEMENTS
- FINANCIAL STATEMENTS
- PERFORMANCE STATEMENTS

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HUME CITY COUNCIL  
**ANNUAL REPORT**  
**2011–2012**

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## A message from our Mayor and Chief Executive Officer



Hume City Council is one of Australia's fastest-growing municipalities and is expected to welcome an additional 70,000 new citizens in the next two decades.

Our City grew by almost 20,000 people – or around 13 per cent – in the five years from 2006 to 2011.

To meet that growth, Council is striking a balance to ensure we provide the services, facilities and infrastructure that families and businesses need today, while we plan for the long term. Council continues to take a leading role in the planning for that growth.

It has been an honour to serve Hume City as Mayor and Chief Executive Officer during 2011/12 and work with a dedicated organisation of people and Councillors who continue to work for the betterment of our community.

Hume City Council's 2011/12 Annual Report features the significant achievements and milestones that have been reached for our community during the year.

Highlights include the delivery of more than \$50 million of Capital Works Projects and more than 100 different services for our community.

Highlights covered in the Annual Report include:

- The opening of the \$17.6 million Hume Global Learning Centre – Craigieburn;
- The commencement of works on the \$330 million Craigieburn Town Centre project that will transform the area into a key regional shopping and entertainment destination;

- The rollout of the \$2.9 million Supporting Parents, Developing Children project – in partnership with the Scanlon Foundation and State and Federal Governments;
- The commencement of the \$5.75 million redevelopment of Sunbury's Boardman Stadium;
- The visit to Broadmeadows of Their Royal Highnesses Crown Prince Frederik and Crown Princess Mary of Denmark;
- Major strategies including the Hume Integrated Land Use and Transport Strategy, Natural Heritage Strategy, Economic Development Strategy and Waste Management Strategy; and
- Planning, works and assistance provided for the future developments of Craigieburn, Lockerbie and Merrifield.

The Annual Report also features key corporate governance information and details on our performance for the year, with key highlights from the Hume Community Satisfaction Survey.

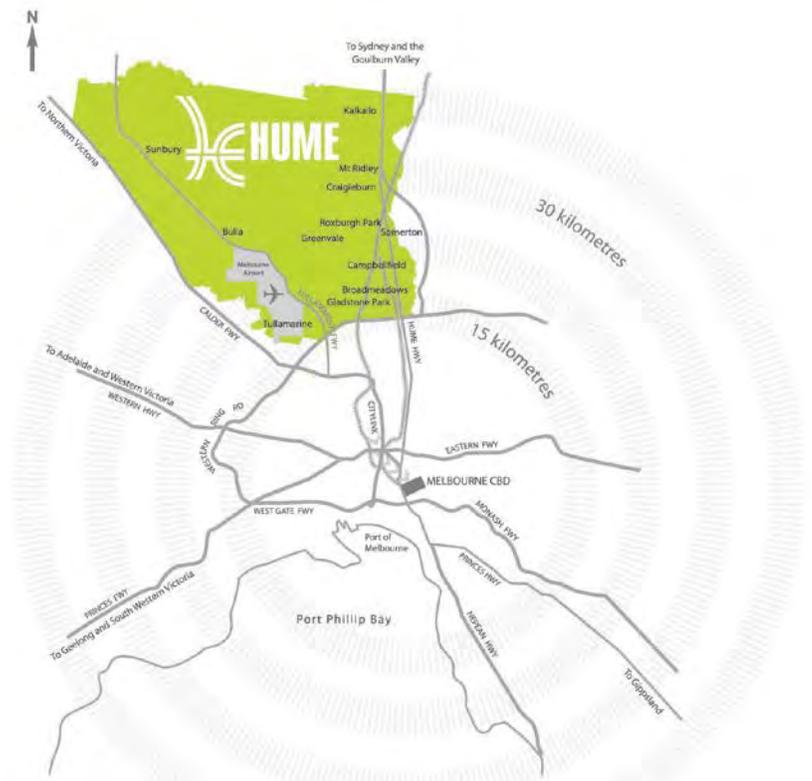
The Annual Report has been prepared in accordance with the Local Government Act and lists achievements and financial results for 1 July 2011 to 30 June 2012.

**Cr Rosalind (Ros) Spence**

**MAYOR**

**Domenic Isola**

**CHIEF EXECUTIVE OFFICER**



## Hume City Profile

### Location

Located just 15 kilometres north of the centre of Melbourne, Hume City is one of the fastest-growing municipalities in Australia.

With a total area of 504 square kilometres, it is built around three distinct areas including the established suburbs of Broadmeadows, Tullamarine and Gladstone Park in the south, the developing residential suburbs of Craigieburn, Greenvale and Roxburgh Park in the north east and Sunbury township in the north west.

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

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

### Our History

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 City of Keilor.

However, Hume's rich and diverse history stretches back over 40,000 years when the first indigenous communities of the Gunung-Willam-Balluk first inhabited the region.

It was not until 10 years after Hamilton Hume and William Hovell explored the area in 1824-25 that the first Europeans settled along the Maribyrnong River, Jacksons Creek and Deep Creek waterways.

Our City is home to some of Victoria's most significant landmarks, including Rupertswood Mansion and Emu Bottom Homestead in Sunbury.

The City is also home to the historic Maygar Barracks in Broadmeadows – which was a training base for our troops during World War One.

### Our City today

Hume is a place of great contrasts, from major industrial areas to thriving urban residential areas and vast expanses of rural land.

Our growing population of more than 175,000 people enjoys a rich cultural diversity and is made up of a vibrant mix of residents from 140 different countries, speaking 125 different languages.

Our City's population grew by almost 20,000 people – or 13.3 per cent – in the five years from 2006 to 2011, representing an average annual growth rate of 2.5 per cent.

Our community is represented by people of all ages – from first home buyers with young families, students, self-funded retirees and the elderly.

Hume's location around the Tullamarine and Princes Freeways, Western Ring Road and Craigieburn Bypass and access to Melbourne Airport ensures Hume is readily accessible by business.

The City has a strong business sector, with many internationally and nationally-recognised businesses stating Hume City as an ideal place to do business.

Hume plays host to a variety of industry sectors including freight, engineering, aviation, automotive manufacturing, steel, plastics, electronics, communication, tourism, food processing, vineyards, paper manufacturing, education, construction and retailing.

# Council Vision, Mission and Values

## 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 its Council Plan 2009-2013, 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 (left to right):** Cr Jack Ogilvie, Cr Ann Potter, Cr Adem Atmaca, Cr Victor Dougall (Deputy Mayor), Cr Burhan Yigit, Cr Rosalind (Ros) Spence (Mayor), Cr Drew Jessop, Cr Helen Patsikatheodorou and Cr Geoff Porter.

## Hume City Councillors

### Councillor Representation

Hume City Council was represented by a team of nine democratically-elected Councillors during 2011/12.

The Councillors represented the community in the wards of Aitken, Jacksons Creek, Merri and Airport.

This was the final year in a four-year Council term, with Councillors elected in November 2008.

Councillors and their respective 2011/12 portfolios were:

#### Aitken Ward

- **Cr Rosalind (Ros) Spence (Mayor):** Learning, key spokesperson for Council – from December 2011;
- **Cr Drew Jessop:** Environment;
- **Cr Adem Atmaca:** Economic Development.



#### Jacksons Creek Ward

- **Cr Ann Potter:** Arts and Culture;
- **Cr Jack Ogilvie:** Planning.

#### Merri Ward

- **Cr Victor Dougall (Deputy Mayor):** Safety and Traffic;
- **Cr Burhan Yigit:** Waste and Litter Management, Finance.

#### Airport Ward

- **Cr Geoff Porter:** Youth, Sport and Recreation;
- **Cr Helen Patsikatheodorou:** Human Services.

### Ward structure changes and Council general elections

The municipality will undergo a significant realignment of ward boundaries at the next general elections in October 2012.

The Minister for Local Government approved recommendations in a review by the Victorian Electoral Commission in June 2012.

An additional two Councillors will be elected to represent the community, bringing the total number to 11 across three Council wards.

## Council Management Team

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**City Communities**  
**Director, Margarita Caddick**

The City Communities division advocates, plans and provides support, services and programs for all Hume City residents.

City Communities provided a range of services for newborn babies through to senior citizens.

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

The division also provides programs for our diverse multicultural community and the Hume Indigenous community.

It also 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 providing aged care services and in-house support services to residents living with a disability, respite care services, immunisation services and promoting public health.

The Aged and Disability Services team provide social support, home help, personal care, delivered meals, community recreation programs and community transport to assist frail, aged and disabled community members. The Public Health team ensures compliance with public health standards and performs a number of statutory duties, including inspection of 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 City.

Services include preschool, childcare, occasional care, vacation care, out of schools 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 also 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.

The department also supports the network of eleven neighbourhood houses and creates opportunities for community engagement.



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

The Organisation and Community Learning division is responsible for guiding the communications that occur between Council and the community and other stakeholders, including developing promotions and online communications.

The division also provides community engagement opportunities by 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, as well as 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 change and development. It provides research and statistical analysis for Council departments, guides Council's community engagement activities and coordinates the development and reporting of the Council Plan.

**Learning Community**  
A/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 advertising, media relations and development of promotional material and coordinates internal communication activities. The department also organises major events and festivals throughout the City, including the Hume Festival of Music, Broadmeadows Fiesta, Carols By Candlelight and Craigieburn Festival.

**Human Resources**  
Manager, Sue Haviland

Human Resources supports the organisation in the management of its 1,500 staff. Training and development, reward and recognition, Occupational Health and Safety, industrial relations and recruitment are activities undertaken to support the diverse workforce.

**Organisation Planning &  
Improvement**  
Coordinator, Andrew Trute

Organisation Planning and Improvement coordinates the Council Plan process and manages Council's internet and intranet sites. The department is also responsible for strategically directing organisational change.

**Research**  
Coordinator, Joel Farrell

Research undertakes a broad range of social research and community consultation and engagement activities to identify community needs, expectations and aspirations. Research undertakes analysis of residents to monitor population trends; providing evidence and analysis for future service planning.



**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, and by working with the community on plans for the future.

It also 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.

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

**Economic Development  
Manager, George Osborne**

Economic Development provides direction and helps support and facilitate a strong economic future for Hume, in partnership with business, investors and the local community. The department organises networking events and training sessions for small to medium enterprises as well as programs to assist long-term unemployed people get back into the workforce and has a 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 assesses approximately 900 planning applications annually, 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 funding 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 provides environmental and sustainability education to the community, and biodiversity and natural heritage management. The department offers incentives to rural landholders to assist them in managing their properties sustainably and provides environmental assessment and advice on proposed developments, monitors and reports on the state of our environment and supports and encourages sustainable practices in the community.

**Central Activities Area &  
Urban Design  
Manager, Greg McLaren**

Central Activities Area and Urban Design facilitates development of high quality, well connected and sustainable urban areas with a lead responsibility for the transformation of the Broadmeadows Central Activities Area 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 also 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 have access to the internet via the provision of online services, and also organises citizenship ceremonies for new residents and migrants.

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

**Corporate Services**  
**Manager, Gavan O'Keefe**

The Corporate Services department ensures Council complies 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 three Customer Service Centres, located in Broadmeadows, Craigieburn and Sunbury, each with call centre functionality.

In 2011/12, Council's Customer Service staff received more than 245,000 enquiries from the community – including 194,200 telephone calls, 47,640 face-to-face visits and 2,390 emails received.

**Finance & Property Development**  
**Manager, Fadi Srour**

This service provides financial based services to both internal and external customers including 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 raising and collection of user fees and charges.

This service is also responsible for managing Council's property portfolio, including managing 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.



**City Infrastructure**  
**Director, Steve Crawley**

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

City amenity services include management of Sunbury Landfill and the Resource Recovery Centre, collecting waste and recyclables, and maintaining the appearance of the City. The division also maintains Council's fleet, plant and equipment and checks, approves and supervises new subdivisions. It provides building management and local laws services. It manages three leisure centres and provides planning for open spaces and recreation facilities. The division provides programs at four youth centres and manages parks, bushland and trees.

#### **Infrastructure Planning** **Manager, John Monaghan**

This team 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.

#### **Subdivisions** **Manager, John Davis**

The Subdivisions department checks, 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.

#### **Leisure & Youth Services** **Manager, Bruce Fordham**

This team 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 are a number of key programs delivered for young people including HYART, FreeZA, Moving Forward and holiday programs.

#### **Parks & Open Space** **Manager, Jason Summers**

This department manages playgrounds and maintains Hume's 1,500 hectares of open space, including an AFL 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.

#### **Projects & Contract** **Management** **Manager, Michael Wardlaw**

The department is responsible for the development and implementation of the annual Capital Works Program. It also 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.

## Services

### Manager, Danny Eaton

The Services department has a legislative and compliance responsibility in Building Control, which monitors and approves building permits and inspects buildings.

Council's City Laws team is authorised under several Acts including Country Fire Authority and Metropolitan Fire and Emergency Services Board Acts, Domestic Animals Act, Local Government Act, Road Safety Road Rules – Victoria, Road Safety Act, Prevention of Cruelty to Animals Act, the Impoundment of Wandering Stock Act and Council Local Law No. 1.

Technical Services is responsible for compliance with the Road Management Act. Property Services is also responsible for the maintenance of 234 Council buildings. Public Works Services provides waste collection services, while Hume Fleet manages and maintains 600 items of fleet, plant and equipment.

### Traffic, Civil Design and Asset Management

#### Manager, David Fricke

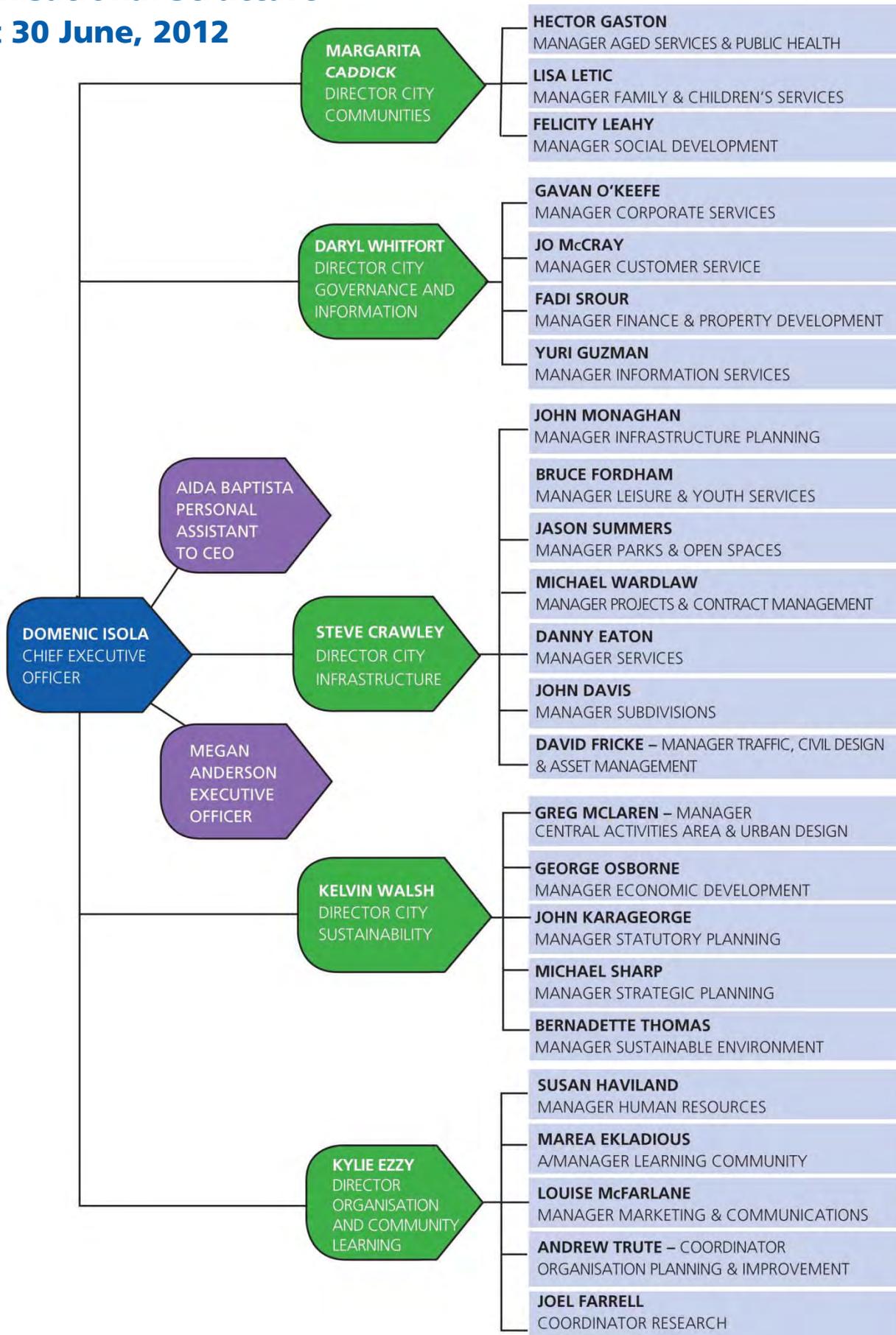
This department manages over \$1.61 billion in Council assets and maintains local roads, bridges, drains, footpaths and buildings.

The department delivers design and tender documentation for new roads, road reconstructions, car parks, traffic management treatments, drainage works, new footpath works and streetscape works and undertakes two Local Area Traffic Management Studies each year, implements Council's Road Safety Plan and provides traffic management expertise.

Council staff as at 30 June 2012				
Count of E/No	Status	SEX		Grand Total
Division		F	M	
CEO Office	Full-time employees	2	1	3
<b>Total</b>		<b>2</b>	<b>1</b>	<b>3</b>
City Communities	Casual employees	121	17	138
	Full-time employees	101	15	116
	Part-time employees	276	8	284
	Temp full-time	11	1	12
	Temp part-time	18	0	18
<b>Total</b>		<b>527</b>	<b>41</b>	<b>568</b>
City Governance and Information	Casual employees	8	0	8
	Full-time employees	29	39	68
	Part-time employees	22	2	24
	Temp full-time	3	4	7
	Temp part-time	2	0	2
<b>Total</b>		<b>64</b>	<b>45</b>	<b>109</b>
City Infrastructure	Casual employees	131	73	204
	Full-time employees	42	201	243
	Part-time employees	103	34	137
	Temp full-time	5	3	8
	Temp part-time	1	1	2
<b>Total</b>		<b>282</b>	<b>312</b>	<b>594</b>
City Sustainability	Casual employees	4	2	6
	Full-time employees	34	23	57
	Part-time employees	7	0	7
	Temp full-time	1	0	1
	Temp part-time	0	0	0
<b>Total</b>		<b>46</b>	<b>25</b>	<b>71</b>
Organisation and Community Learning	Casual employees	36	10	46
	Full-time employees	46	13	59
	Part-time employees	42	4	46
	Temp full-time	4	1	5
	Temp part-time	0	1	1
	Workcover	3	1	4
<b>Total</b>		<b>131</b>	<b>30</b>	<b>161</b>
<b>Grand Total</b>		<b>1052</b>	<b>454</b>	<b>1506</b>

# Organisational Structure

## As at 30 June, 2012





From vision to reality: Craigieburn youngster Jacob Peck at the new Hume Global Learning Centre – Craigieburn.

## 2011/12: A Year In Review

Hume City Council's 2011/12 Annual Report highlights the significant achievements and milestones that have been reached for our community during the year.

### Election of new Mayor

At its Statutory Meeting on 7 December 2011, the Council elected Aitken Ward Councillor Rosalind Spence as Mayor.

In accepting the role of Mayor, Cr Spence said her focus for 2011/12 was to continue to deliver on Council's strategic objectives, to build upon the work already completed, take advantage of new opportunities and continue to be a strong advocate for appropriate funding from state and federal governments.

Cr Victor Dougall was elected Deputy Mayor.

### Delivering major projects

In 2011/12, Council delivered more than \$50 million of capital works projects across our municipality and has committed to fund another

\$220 million for new projects over the next four years.

Council was exceptionally proud to open the doors to the new \$17.6 million Hume Global Learning Centre – Craigieburn in May 2012.

The state-of-the-art facility is a vibrant new venue to learn, share knowledge and inspire creativity and is home to the new Craigieburn Library, training and meeting rooms, café, art gallery, occasional childcare service and Council's Craigieburn Customer Service Centre.

The project is the second-largest development in Council's history.

The new centre is testament to Council's commitment to providing lifelong learning opportunities for the Hume community.

The first stage of the \$10 million John Ilhan Memorial Reserve in

Broadmeadows Valley Park is now complete. A new pavilion and grandstand will be built in 2012/13 to transform the complex into a key regional facility to host sport competitions.

A \$5.75 million redevelopment of Sunbury's Boardman Stadium is well advanced and on schedule to open in November 2012. The redevelopment includes construction of two new indoor sports courts, bringing the total number of courts to six, and transforming the centre into a regional facility for basketball, netball and badminton.

Construction has commenced on the \$13.23 million redevelopment of the Broadmeadows Leisure Centre. The redevelopment includes a new 50-metre pool as well as major internal upgrades to the facility.

Detailed planning of the new \$4.6 million Broadmeadows Community Hub is underway and will create an active and vibrant community resource.

The new hub will replace ageing infrastructure in Broadmeadows, with much needed community amenities to help improve access to a range of health and wellbeing, community, social, learning and training programs.

### **Planning for future growth**

Hume is one of Australia's fastest-growing Council areas and is expected to be home to another 70,000 people in the next 20 years.

The City has grown by almost 20,000 people since 2006. To meet that growth, Council is working to ensure it provides services, facilities and infrastructure families and businesses need today, while it plans for the long term.

Council continues to take a leading role in the planning for that growth.

Council welcomed an announcement by the Victorian Government in June 2012 regarding our City's growth corridors, logical inclusions to Melbourne's boundary and precinct structure plans.

The announcement provides Council with greater clarity around future planning direction of our growth corridors and brings forward the new communities of Lockerbie and Merrifield in the north of our City.

A number of key improvements to the corridor plans and precinct structure plans have been included – such as the role Sunbury Town Centre will play in the growth of the region – but fall short on detail and certainty of infrastructure provision that Council believes these areas deserve. Council is also pleased to see some areas advocated for as part of the logical inclusions process now brought into the urban area.

We will continue to work closely with the State Government and developers to ensure aspirations outlined are delivered in a holistic and timely manner and respond to

the needs of our City's growth. We are pleased to see more detailed information on infrastructure provision now included in the plans, but believe the plans need to go further to articulate when important infrastructure will be delivered.

### **Major funding received**

Council secured 26 non-recurrent grants for projects and initiatives benefitting the community totalling \$9.7 million in 2011/12. Of those, 19 grants totaling \$4.47 million were provided by the Victorian Government including \$1 million for the establishment of the Newbury Boulevard Integrated Children and Family Centre and including \$650,000 for the Boardman Regional Stadium Redevelopment.

Two grants were provided by the Federal Government totaling \$4.66 million, including \$4.53 million for the Preventative Health Project. Council also received \$820,000 in funding for the establishment of a Hume Regional Tennis and Community Centre in Craigieburn.

### **Our Community Survey**

More than 600 residents took part in our 2011/12 Community Survey, which was conducted in November and December 2011.

The annual survey gauged residents on a range of Council services and facilities and measured the community's perception of importance and satisfaction. The survey also explored resident's views on what could be improved within their local neighbourhood and right across the municipality. Community satisfaction with Council's performance over the 2011/12 period remained relatively steady when compared with previous years, with a mean score of 3.2 out of 5.0.

Key messages from the survey highlighted the perceived need to increase spending on community services such as youth and aged care services as well as local roads, improved traffic management and parking. Council continues to implement the Community Engagement Framework which aims

to improve how Council consults with and involve residents in decision-making.

### **Craigieburn Town Centre Development**

In early 2012, construction commenced on a \$330 million shopping, retail and civic precinct that will transform Craigieburn into a key regional shopping destination.

The new Craigieburn Town Centre – to be known as Craigieburn Central – is well advanced and expected to begin trading in late 2013. The 55,000 square-metre precinct will include major supermarkets and department stores as well as restaurants, a fresh food market, cinema complex and a range of other leisure and entertainment facilities. Council has an integral role in the planning and future of the site and continues to work closely with developer Lend Lease. Construction is a key milestone in Council's vision for the region and helps fill a major gap in shopping and retail services in Craigieburn.

### **Racecourse Road Project**

In December 2011, Australand was named as Council's preferred partner for a residential development of 50 hectares of vacant land in Racecourse Road, Sunbury.

Planning for a vibrant new neighbourhood community has taken a major step forward and the new partnership paves the way for development of six-star rated energy efficient homes, and the creation of parks and wetland areas to create a thriving new community for families. Approvals were received from the Minister for Local Government and Treasurer of Victoria for the joint venture in May 2012.

### **Major community events**

Council reaffirmed its commitment to delivering major community events for our growing City. More than 25,000 people attended Council's five major events in 2011/12 – including Craigieburn Festival, Hume Festival of Music, Broadmeadows Fiesta and Carols By Candlelight and Sunbury 175.



### Impacts of the Municipal Landfill Levy and carbon tax

The Victorian Government's EPA Landfill Levy remains a burden on Hume ratepayers and Council continues to advocate strongly against further increases to the tax.

Council is required to pay the EPA a fee for each tonne of waste that is delivered to our landfills – in 2012/13 the fee increased to \$48.40 per tonne from \$44 in 2011/12.

This fee has significantly increased from \$9 per tonne in 2009/10 and represents a cost impact of more than \$5.5 million on Council over 2010/11 and 2011/12.

The introduction of the Federal Government's new Clean Energy Future policy is also expected to have a major impact on Council, and subsequently, our ratepayers. Council has budgeted to pay approximately \$1.6 million under the scheme in 2012/13 for emissions generated through Council operations and facilities and on waste that goes to Council landfill as well as higher utility, material and services costs.

### Royals visit Broadmeadows

Hume was privileged to welcome Their Royal Highnesses Crown Prince Frederik and Crown Princess Mary of Denmark (pictured) to the Hume Global Learning Centre – Broadmeadows in November 2011.

They joined close to 100 dignitaries, including Prime Minister Julia Gillard and Premier Ted Baillieu for The Alannah and Madeleine Foundation.

Hume was chosen because of the reputation of the centre and Council's commitment and leadership in lifelong learning. The event showcased Hume to Australia and across the world.

### Hume's top citizens

Elwyn Davis and Zahra Boho were jointly awarded Hume City Council's Citizen of the Year Award for 2012.

The pair were presented with their award at Council's Australia Day Citizenship Ceremony at the Broadmeadows Town Hall on 26 January. Craigieburn student Nadine Kotob received Hume's Young Citizen of the Year Award.

### Supporting Parents, Developing Children

The rollout of the \$2.9 million Supporting Parents – Developing Children project continued.

The project – funded in partnership with the Scanlon Foundation, Victorian and Federal Governments – supports early childhood development in southern Hume. The project supports programs that encourage early childhood development, literacy, community engagement, social cohesion and the development of pathways to employment and training for parents. The project is focusing on families and children from Culturally and Linguistically Diverse (CALD) backgrounds.

Highlights of the program include:

- **Enhanced Playgroup Program** – Five new CALD facilitated playgroups have been established at early years hubs including Arabic, Assyrian/Chaldean and Bhutanese;
- **Supporting Early Years Hubs** – Six new hubs have been established in local primary schools and

comprise a number of service agencies who collaborate to provide links to services, information and support for CALD families;

- **Mother and Child English Program** – three new programs have been established at Broadmeadows Leisure Centre, Campbellfield Heights Primary School and Holy Child Primary School. The new program assists mothers and children with English language skills and early childhood development; and
- **Bilingual Storytime** – Five new storytime sessions have commenced in Arabic, Hindi/Singhalese, Assyrian and Chaldean.

### **Formation of Northern Councils Advocacy Group**

In September 2011, Council helped establish a new northern suburbs local council group to greater advocate to the state and federal governments for Melbourne's north.

Other Council areas represented in the group include the Cities of Banyule, Darebin, Moreland, Whittlesea and Yarra and the Shire of Nillumbik.

Representatives of the group visited Canberra in November 2011 and March 2012 to advocate on key priorities including:

- Influencing the outcomes of the State Government's Metropolitan Planning Strategy;
- Delivering better transport outcomes and strategies;
- Influencing economic development including arts and culture;
- Advocating for better health services for communities including services related to drug and alcohol concerns and HACC service;
- Providing for better planning and land use; and
- Protecting the green wedge and ensuring the government is aware of the need for more regional recreation and open space.

### **Defined Benefits Superannuation**

Council has stepped up a campaign that advocates for changes to a local government superannuation scheme that continues to have a major financial impact on ratepayers.

The superannuation scheme – a regulated industry fund managed by Vision Super – closed in 1993 to new members but as of December 2011, had almost 5,000 active members contributing to and an additional 5,000 lifetime pensioners drawing from the fund. As of July 1, 2013, Hume City Council will be required to make an \$11.9 million contribution towards a \$453 million shortfall in the Vision Super fund – this will bring Council's total payment to the fund to \$25.953 million since 1999.

In 2011/12, Council continued to advocate strongly for the need for legislative reform, that puts local government on equal footing with state and federal government schemes. Council has secured a position on a Municipal Association of Victoria taskforce, established to campaign for the reinstatement of the fund as an exempt public sector scheme.

### **Embedding preventative health in Hume City**

May 2012 marked the start of the implementation of the Prevention Community Model (PCM) across 14 Victorian local government areas.

Hume City Council secured \$4.57 million in funding over three and half years from the State Government, via the National Partnership Agreement on Preventative Health, one of the largest investments into preventative health in Australia.

The Hume Partnership Consortium of Dianella Community Health, Sunbury Community Health and Council has now completed the recruitment of staff committed to changing the way preventative health is implemented across the municipality.

The initiative will be delivered via a comprehensive approach, which seeks to engage across multiple settings to influence health outcomes. The settings include early childhood centres and schools, workplaces and across the community.

It is well recognised that the health of the community is largely affected by factors outside the health sector including housing transport the environment education and employment, therefore, Council has a significant opportunity to embed preventative health strategies across all divisions and departments, while also aspiring to be a health promoting-organisation.

The workforce will focus its energy on changing social, environmental, political and economic conditions to affect change in addition to implementing strategies and initiatives to tackle obesity, increase physical activity, promote nutrition and reduce tobacco and alcohol consumption.

### **Ward structure changes and Council general elections**

The municipality will undergo a significant realignment of ward boundaries at the next general elections in October 2012.

The Minister for Local Government approved recommendations in a review by the Victorian Electoral Commission in June 2012. An additional two Councillors will be elected to represent the community, bringing the total number to 11.

The existing Airport Ward will be amalgamated with the Jacksons Creek Ward.

The existing Merri Ward, will be known as Meadow Valley Ward and the existing Aitken Ward will incorporate a larger component of the municipality. Jacksons Creek will be represented by three councillors, while Aitken and Meadow Valley will be each represented by four councillors.



### **Work to prevent violence against women in Hume**

Council reaffirmed its commitment to the prevention of violence against women through its efforts in support of the White Ribbon Foundation.

The Hume White Ribbon Action Team (HWRAT) was established in 2010 in response to a high incidence of Family Violence in Hume City. The team now includes more than 30 Council officers dedicated to undertaking activities, which highlight and aim to prevent, violence against women in Hume.

Council raised more than \$8,000 for the White Ribbon Foundation through a range of activities to promote the prevention of violence against women, culminating in a major White Ribbon Day event on November 25 (pictured).

Through the White Ribbon events, Council called on men to take a personal pledge to not commit, condone or remain silent about violence against women. Violence against women, Hume says No!

### **Scrapping of the Government Services Building in Broadmeadows**

In April 2012, Council was advised that the Victorian Government would not proceed with the proposed Government Services Building in the Broadmeadows Activities Area.

Council has strongly supported the designation of Broadmeadows as Central Activities Area and the vision to create a high quality and sustainable activity centre to generate new employment and services to Melbourne's north.

In May 2009, the previous State Government committed \$17.4 million funding to support the construction of a Government Services Building, which would have seen over 400 jobs and regional services located in the heart of Broadmeadows Town Centre.

Council continues to advocate with the State Government for the continued investment in the renewal of the Broadmeadows Activities Area.

### **New Radio Frequency Identification System**

Council purchased and installed a new Radio Frequency Identification Device system across all its libraries in 2011/12.

The Radio Frequency Identification Device system is the latest technology to assist libraries in circulation and security systems.

Council's library collection of some 160,000 items was tagged over six weeks while still maintaining our usual library operations.



## Reporting on Hume City Council Plan 2009-2013

Hume City Council launched the Hume City Plan 2030 in 2004, and published an updated plan in 2009.

The plan was developed through extensive community consultation with residents, ratepayers, businesses, State and Federal Government, education providers, community health providers, clubs, volunteers, students, workers and visitors.

It details the community's vision for Hume City to be recognised as the ideal location for healthy living, lifelong learning, employment, recreation, enjoyment and prosperity. This Plan directly informs our Council Plan and our annual actions.

As of 30 June, 2012 Council had completed 90 of the 116 actions in the Council Plan. Of the remaining, significant progress had been made on 18 actions, there had been some progress on five and three were deferred.

### **We plan**

We plan for the future by developing a four year Council Plan, which is directly linked to the Hume City Plan 2030 and is guided by comprehensive planning and research activities, feedback from surveys, and meetings with the community.

The Council Plan we are reporting on in this Annual Report is the Council Plan 2009 – 2013 (2011 Action Update). We also produce 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 against the actions and budget 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

- A Draft Revenue Strategy was presented to Council in February 2012. An action plan is being prepared for approval and resourcing in late 2012.
- Completed External Communications Review 2011/12 actions included the updating of the branding style guide and development of a new social media protocol.
- The People and Culture Strategy is being implemented with a new induction program, new staff appraisal system and AS4801 (OHS) accreditation received for Parks, Services, Leisure and Aged Services during 2011/12.
- An application has been submitted to the Minister for Planning to exhibit the Planning Scheme Amendment for the Racecourse Road development.
- As part of the Community Engagement Framework, organisational training was provided in June 2012 to provide clear guidelines and tools for undertaking community engagement.
- Stage 5 of the revaluation process has been submitted to the Valuer General and the True and Correct Certificate was received in July 2012.
- The Hume City Council Electoral Representation Review is complete. Wards and the number of Councillors were finalised by the Victorian Electoral Commission in April 2012.
- The number of staff with greater than 40 days annual leave decreased by 29 per cent.
- During 2011/12, 64.9% of letters requiring a response were responded to within 10 days.
- Interest income as at 30 June 2012 was \$3.215 million.

### Advocacy Highlights

- In 2011/12, Council submitted 38 grant applications seeking \$47.4 million. 25 grants totaling \$9.6 million were successful.

### Indicator Highlights

- There were 885 media mentions of Hume City Council in 2011/12. Of these, only 76 (8.6 per cent) were regarded as negative.
- During 2011/12, 78.4 per cent of customer service enquiries were resolved on first call.



## 2: Prosperity of the City Economy; Transport; Learning

- The Hume Economic Development Strategy was adopted by Council on 13 March 2012.
- The Sunbury HIGAP consultation and research has been completed.
- Council adopted the Structure Plan for the Broadmeadows Activities Area on 26 March 2012. Planning controls to support the implementation of the Structure Plan will be developed and considered by Council in 2012/13.
- Local Area Traffic Management Studies for Roxburgh Park West and Sunbury East were completed and adopted by Council in June 2012.
- Establishment of a Jobs and Skills Taskforce was adopted by Council on 13 February. The inaugural meeting of the taskforce was on 23 May 2012.

- Transport priorities for the Broadmeadows Activities Area have been incorporated in the BAA Structure Plan and the Hume Integrated Land Use and Transport Strategy.
- The Hume Global Learning Centre Craigieburn opened its doors to the community on 7 May 2012. The official opening occurred on 17 June 2012 and was attended by over 3000 people.
- Two university partners have been secured for the Hume City Multiversity. Discussions to deliver University and TAFE courses at Hume Global Learning Centre – Broadmeadows and Craigieburn are continuing.

### Indicator Highlights

- During 2011/12, 895 applications for planning permits were received with 847 determined. A 2.4 per cent increase on 2010/11 applications determined.

- 423 Building Control Investigations and 1545 Asset Protection Permits (Building) were issued during 2011/12.
- An increase in the number of Bilingual Storytime sessions saw 7793 attendees in 2011/12. A 57 per cent increase on the 4962 attendees in 2010/11.
- Participation of four-year-olds in preschool increased by 3.5 per cent during 2011/2012, well above the annual targeted increase of 2 per cent.

### Advocacy Highlights

- Council has met twice with the Minister for Higher Education and Skills, Peter Hall, for the provision and planning for higher education in Sunbury and surrounds.
- Advocacy with VicRoads improvements is ongoing for a Bulla Bypass, Somerton and Craigieburn Road duplications and on congestion of Mickleham Road.



### **3: Community Wellbeing Social Inclusion; Health, Safety and Wellbeing; Arts, Leisure and Recreation**

- More than 25,000 people attended major Council events providing positive feedback on the Broadmeadows Fiesta, Hume Festival of Music, Carols by Candlelight and Craigieburn Festival in 2011/12.
- The Disability Action Plan was adopted by Council in April 2012.
- Detailed design for Broadmeadows Community Hub is complete. The existing building has been demolished and the Hub construction will commence in late 2012.
- Craigieburn Community Renewal Actions included preparation and site cleaning for the construction of Craigieburn Men's Shed. Joblink 3064 has secured jobs for 43 local residents.

- An evaluation report for the Healthy Hume Project has been submitted to the Department of Health and Ageing. Healthy Hume succession funding has been approved with implementation of the extension phase underway.
- The Arts Encouragement Program was delivered successfully with the inaugural awards presented in May 2012. Evaluation and planning for 2013 is underway.
- Broadmeadows Town Park Stage 1 is complete including a new car park, civil and path works, traffic signals, public toilet and lighting installation.
- The Draft Playspace Framework was presented to Council in June 2012. A Play Service Plan will be developed in 2012/13, subject to Council's Budget.

#### **Strategic Indicators**

- The Babies in Hume Program is well-attended and meet indicators for participation.

- During 2011/12, an average of 12 kilograms per household of domestic waste was collected, a 5 per cent reduction on the 2010/11 average.
- The utilisation rate is currently 95 per cent for Council Preschools and 79 per cent for Council Child Care services.
- 154 artists are listed on Council's Artist Register, a 14 per cent increase on 2010/11.
- Council Learn to Swim enrolments have increased by 11 per cent and membership attendances increased by 7.2 per cent from 2008/09 to 2011/12.

#### **Advocacy Highlights**

- Advocacy and partnerships with Governments and other organisations and community groups continues through the Supporting Parents Developing Children Project.
- \$1.069 million funding has been secured from DEECD for development of an integrated child and community centre in Highlands Craigieburn.



**4: Appearance of the City  
Appearance of the City; Asset  
Management; Natural  
Environment**

- The updated Hume Road Management Plan was reviewed and adopted by Council in June 2012. A defect reporting system using smartphone technology will be rolled out in 2012/13.
- A community mural has been completed at Olsen Place and a contract for the Broadmeadows rail underpass signed.
- 91% of the 2011/12 Capital Works Program (CWP) was delivered as at 30 June 2012. The CWP for 2012/13 was approved by Council in June 2012.
- New leachate ponds that meet EPA best practice guidelines will be constructed at the Bolinda Road former landfill site in 2012/13. Riddell Road landfill leachate upgrade works have been completed.

- Waste Wise Education Strategy actions have included delivery of the Waste Calendar, 4500 recycling bin inspections and a Garage Sale Trail held in May 2012.
- A Landholder Incentive Schemes service review was conducted during 2011/12. Development of a new business case for a new scheme will continue during 2012/13.
- 22 community planting days were held in 2011/12 with 887 participants planting 9,287 native plants.
- As part of the Live Green Strategy, 34 community workshops were conducted across Hume City and 20 environmental champions have been trained.

**Indicator Highlights**

- Annual waste diversion targets for waste facilities were exceeded with 46 per cent of material diverted at Sunbury and 71 per cent at Campbellfield.

- The increase in green waste kerbside service uptake during 2011/12 was 1436 individual services or a 7 per cent annual increase.
- 4980 trees were planted in 2011/12 as part of the Leafier City Program.
- 45 subdivisions were processed during 2011/12 with 85 per cent delivered within the statutory timeframe.
- Emissions from Council's light vehicle fleet were 8 per cent lower in 2011/12 than in the baseline year 2008/09.

**Advocacy Highlights**

- Council has made submissions to government for improved regulation of greenhouse gas emission reductions and expanded renewable energy use.
- Council is advocating for projects to the National Growth Areas Alliance as part of their deliberation process for the Federal Election in 2013.



## Measuring our performance

### Hume Community Satisfaction Survey

Council undertakes an annual survey with residents in order to measure community satisfaction with the range of services and facilities provided by Council.

The survey also explored resident views on what could be improved within their local neighbourhood and the municipality as a whole, identifying future priorities and preferences for budget allocation.

The survey replaces Council's participation in the Victorian Department of Planning and Community Development (DPCD) Local Government Community Satisfaction Survey.

The 2011/12 financial year was the third year in which Council has undertaken this survey, with results being used to inform planning processes and strategy development.

### Local Government indicators

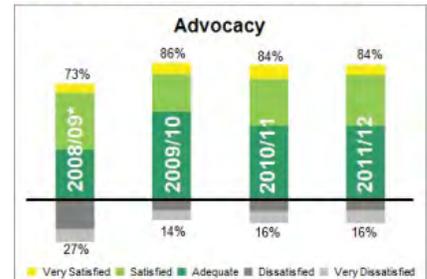
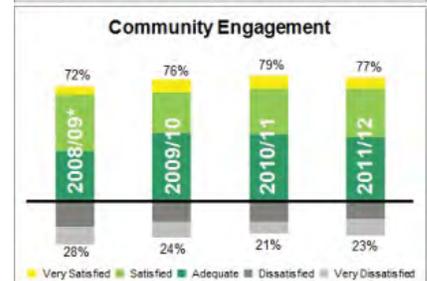
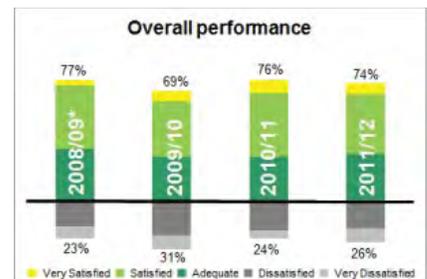
The community survey collects three key indicators concerning community satisfaction with how Council is performing.

These three indicators are collected by all Councils in Victoria – either through their own community survey or by participating in the DPCD Local Government Community Satisfaction Survey.

#### Overall performance

Community satisfaction with Council's performance remained relatively steady when compared to previous years, with a mean score of 3.2 out of 5.0.

Increasing expenditure on community services such as youth services, local roads and aged care were identified as the leading budget priorities for Council.



\* DPCD Local Government Community Satisfaction Survey

Addressing issues relating to local traffic management and parking, and the cleanliness and appearance of public areas were key priorities for local neighbourhoods and the broader Hume City area.

### Looking forward

Looking forward, residents identified managing urban growth as the leading long term priority for Council.

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

In 2011/2012, there has been virtually no change (+1 per cent) in the total number of incidents reported, relative to 2010-2011.

While a target was set at the start of the financial year for a 20 per cent reduction in the number of incidents, there was also a focus to promote reporting of all incidents which met the criteria of 'reportable' regardless of how minor.

These two goals appear to have balanced each other out, resulting in minimal overall incident figure changes. The three most common injury related incidents continue to be 'manual handling', 'slips, trips and falls' and 'struck by', in that order.

Manual handling related injuries have once again this financial year been the most common injury (22.5 per cent) at Hume, followed by injuries from slips, trips and falls (15.3 per cent) and then struck by or striking (14.1 per cent) related injuries. Consequently all of these will continue to be one of Hume City Council's key target areas for incident reduction through the improved quality and effectiveness of control measures and through further appropriate training.

With the new Work Health and Safety (WHS) Management Systems being issued across all of Hume on 1

April 2012, incident report forms now require the identification of incident root causes and system failures, and related control measures to reduce potential reoccurrence. Incident Reporting Training commenced during this financial year and Incident Investigation Training is also scheduled to commence in the new financial year as part of the new WHS Management System training plan.

There were five incidents during the year which were notifiable to WorkSafe. Only one was investigated by WorkSafe, and no Provisional Improvement Notices (PIN) were issued.

Year	Total Number of Incidents	Incidents with Injuries	Incidents without Injuries
2009/10	322	208	114
2010/11	260	172	88
2011/12	262	194	68

Year	Manual Handling	Slips, trips and falls	Struck by
2009/10	37	73	43
2010/11	47	38	28
2011/12	59	40	37

Year	Incidents Reported	No. of Proposed Corrective Actions	% of Incidents with Proposed Correct Actions
2010/11			
Quarter 1	68	64	94
Quarter 2	80	74	93
Quarter 3	49	45	92
Quarter 4	65	63	97

### Workcover Report

There has been a decrease of 657 days of lost compensation in 2011/12. While the number of standard claims has increased by eight in the 2011/12 calendar year, a more proactive approach to managing injured workers returning to work has resulted in a decrease in total incurred claims costs and the number of days lost to worker's compensation. Increased training and education across the organisation has increased awareness regarding return to work issues. These outcomes are also evident in the reduction in the premium rate.

Year	Comp. Days Paid	Total Costs
2009/10	1062	\$348,594
2010/11	1282	\$1,515,766
2011/12	625	\$752,252

Note- the above figures for total incurred costs are based on statistical case estimates for each claim and are rolling estimates calculated on the status of the claim at 30/6/2012. Varying factors will impact on the statistical case estimate for example, nature of the claim, medical treatment required and the length of the claim.

Year	Standard Claims	Minor Claims	Total Claims
2009/10	34	33	67
2010/11	34	23	57
2011/12	42	23	65

Year	Amount Paid	Industry Rate	Premium Rate
2009/10	\$1,883,859	1.7506%	2.8153%
2010/11	\$1,870,548	1.8272%	2.5236%
2011/12	\$1,547,808	1.8836%	1.9158%

### Equal Employment Opportunity (EEO)

Hume City Council has an Equal Opportunity (EEO) Policy which outlines Council's obligation to provide a working environment free from unlawful discrimination, sexual harassment and bullying. New criminal laws applying to serious bullying including bullying in the workplace, came into effect in June 2011 – therefore it was opportune that EEO training was scheduled for employees to re-iterate the importance of appropriate workplace behaviour.

During 2011/12, Council conducted equal opportunity training sessions for employees across the organisation as part of its commitment to providing a safe, healthy and hazard-free environment. Additional sessions for managers and supervisors were conducted to reinforce the message regarding their EEO roles and responsibilities. Training for local work areas were undertaken as required to address specific workplace issues in a timely manner as they arose.

## Best Value Reviews

In 2011/12, Council conducted reviews of a number of services and programs to ensure we are continuing to deliver to the community. Best Value was introduced by the Victorian Government in 1999 as a way of encouraging local councils to regularly review and improve their services and focus on continuous improvement.

The six Best Value principles are:

- All services meet quality and cost standards;
- All services are responsive to local community needs;
- Each service is accessible to those for whom it is intended;
- Continuous improvement in the provision of services is achieved;
- A program of regular consultation with the community in relation to the services provided by Council is developed; and
- Achievements in relation to the Best Value Principles are reported to the community.

As part of our commitment to the six Best Value principles, we consulted with the community on a number of occasions and reviewed a range of our services and programs.

### Customer Service

**Service Review:** Implementation of an electronic workforce planning tool in Council's contact centre.

**Progress:** Completed.

**Description:** The electronic roster system became operational on 1 August 2011. Team Leaders are using it to roster all Customer Service staff and to measure workforce management efficiencies.

### Corporate Services

**Service Review:** Review cemetery processes.

**Progress:** Completed.

**Description:** The determination of officers time and overheads for the Bulla and Sunbury Cemeteries has been calculated on the following services provided by Council:

- Arranging sale of rights of interment, burials, and plaque sales;
- Performing secretarial/governance obligations; and
- Providing engineering, construction and contract management services and supervision.

Information, including costings and recommendations have been prepared for consideration by the CEO.

### Information Services

**Service Review:** Close the technical gap between Service Desk and Infrastructure functions within Information Services.

**Progress:** Completed.

**Description:** The review has been undertaken and the technical gap is already closing through a better and mutual understanding of the strengths and weaknesses of both teams.

The Information Services Coordinator and the Senior Network Administrator will continue working towards closing the gap as an ongoing process through the actions of the 2012-2017 ICT Plan.

### Statutory Planning

**Service Review:** Continue to review planning enforcement functions and processes on mapping and review.

**Progress:** Completed.

**Description:** Detailed future work plans have been developed for planning and enforcement. Improvements include ongoing monitoring and implementation of a number of other recommendations contained in the Victorian Auditor-General's Report.

### Strategic Planning

**Service Review:** Review Lot Certification Process and Procedures.

**Progress:** Completed.

**Description:** New structure established within Statutory Planning to integrate planning approvals and subdivision approvals within Growth Area Planning Team. Position

created and recruitment completed with person starting early April 2012.

**Service Review:** Review documentation of procedure and process for indexation of Developer Contributions. **Progress:** Completed.

**Description:** Completed process and methodology for translating developer contributions into works in kind. Land valuation methodology resolved for PSP revaluations with Property and Valuations. Software has been identified to facilitate tracking and monitoring of developer contributions from across the organisation.

### Central Activities Area & Urban Design

**Service Review:** To ensure Hume's decision making processes for key activity areas and major infrastructure/public realm projects incorporate consideration of design led assessments(s).

**Progress:** Completed.

**Description:** Development guidelines prepared to inform market testing of surplus land at Dallas Activity Centre. The Dallas Activity Centre Strategic Framework was presented to and endorsed by Council's Executive Management Team in April 2012.

The design principles and approach incorporated in other key projects, including Broadmeadows Station Development Framework and Hume Central Development Plan.

The Preferred option for the Broadmeadows Station Redevelopment, incorporating Hume's design principles were endorsed by the Broadmeadows Activities Area Project Control Board in February 2012.

The preferred option for the Hume Central Development Plan (Stages 1 and 2) was endorsed by Council's Executive Management Team on 26 April 2012. Stage 3 Refinement and Development of Preferred Option was presented to EMT on 31 May 2012.

## Sustainable Environment

**Service Review:** Continue review of Landholder Incentive Schemes.

**Progress:** Completed.

**Description:** Customer Journey Mapping of schemes were completed in 2010/11.

As an outcome of the review, Council is working with an environmental planning and agriculture consultant to develop audit criteria for the properties of farm rebate recipients.

Works on developing the business case for a new landholders grant scheme will continue during 2012/13.

## Economic Development

**Service Review:** Establish a framework to encourage Corporate Social Responsibility with Hume City.

**Progress:** Significant progress.

**Description:** A draft framework has been developed which has been informed by a review of existing Corporate Social Responsibility frameworks and policies in other local government areas and consultation with relevant managers from across Council.

## Services

**Service Review:** Conduct a review of Infringements Management across the organisation including: Infringements Policy review, processes including appeals process, and forms and Letters.

**Progress:** Completed.

**Description:** A project charter was developed and four working were groups established to investigate and recommend improvements to Infringement Management. These working groups are: Infringement Issues; Appeals Management; Prosecutorial Processes and Environmental Scan. A final report was completed and provided to the CEO and Director City Infrastructure in May 2012.

**Service Review:** Develop Waste Management Strategy and commence implementation of Year One actions. **Progress:** Completed.

**Description:** A draft Waste Management Strategy Plan including a comprehensive community survey process has been completed. The draft Strategy was submitted to Council in March 2012 and placed on public exhibition. Feedback and final report were presented to Council in June 2012.

## Leisure & Youth Services

**Service Review:** Review of Leisure Centres fees and charges structure.

**Progress:** Significant progress.

**Description:** A report reviewing the Leisure Centre fees and charges structure has been drafted and is being reviewed by the Manager Leisure and Youth Services. Following community consultation, a report on a new fees and charges structure will be provided for Council consideration in December 2012.

## Infrastructure Planning

**Service Review:** Develop a report to see what staff are assigned red letters and merits and whether they are completing them on time and how many they are doing-to be used to monitor workloads and staff customer enquiries on time.

**Progress:** Completed. **Description:** A report has been developed to monitor completion of red letters.

## Parks & Open Space

**Service Review:** Look at the balance of contractors versus in house teams in relation to Open Space maintenance to ensure adequate supervision and value for money.

**Progress:** Significant progress.

**Description:** Parks have received Growth Council benchmarking data on parks operations to determine the different funding models used by other Councils.

A detailed comparison of the cost of in-house services compared with contractors has been delayed due to additional projects and is now a priority to complete.

## Subdivisions

**Service Review:** Increase service delivery for Approval of Subdivision Engineering Plans and Supervision of Subdivisional construction.

**Progress:** Completed.

**Description:** Additional resources have allowed for the processing of additional plans and an increase the surveillance of subdivisional construction, resulting in receipt of a higher level of income for the early part of the financial year.

## Family & Children's Services

**Service Review:** Review use of Commonwealth Inclusion Support Subsidy (ISS) and develop a policy to guide future use.

**Progress:** Significant progress.

**Description:** The Commonwealth Government has announced the new tender for Inclusion Support Agency 2013 - 2016 and Hume City Council has been successful. The report has been delayed pending the outcome of this tender and will be finalised in the First Quarter of 2012/13.

## Marketing & Communications

**Service Review:** Review of the current approach to social media and development of policy, protocols and processes.

**Progress:** Completed.

**Description:** The Social Media Policy was approved by EMT as guidelines on 6 March and presented to Council. EMT also nominated staff members to participate in a steering group to oversee the development of an action plan to implement.

## Organisation Planning & Improvement

**Service Review:** Review the internet six months post launch.

**Progress:** Completed.

**Description:** The report of Council's website was provided to the Director of Organisation and Community Learning in June 2012. Implementations of actions has commenced.



## New Strategies and Policies

### Hume Integrated Land Use and Transport Strategy

In 2011, Council adopted the Hume Integrated Land Use and Transport Strategy (HILATS), which outlines land use and transport initiatives aimed at improving transport options for people in our City.

The strategy aims to create more accessible, liveable and sustainable communities, giving residents full access to jobs, education, retail and community facilities by planning for and expanding the range of transport options on offer.

The HILATS Action Plan outlines the specific short and medium term actions and will help guide the development of budgets, capital works programs, planning studies and consideration of development actions by Council.

### Natural Heritage Strategy

Council adopted a new Natural Heritage Strategy in February 2012.

The strategy is an update on a previously adopted document that provides a vehicle for delivering on Council's commitment to the management of natural heritage values over a four-year period.

Hume's natural heritage is classified in five key themes in the strategy:

- Natural Heritage General;
- Geology and Geomorphology;
- Native Vegetation;
- Native Fauna; and
- Waterways.

The strategy aims to protect and enhance ecological health and landscape character, manage natural assets for the long term, provide regulatory protection and enable community action.

### Economic Development Strategy

In March 2012, Council released its Economic Development Strategy 2030 to reflect the important and growing role of Hume as a world-class business and employment hub.

The three key components of the strategy are development of an active Investment Attraction Framework to encourage new business to come to Hume, supporting early engagement in the digital economy and improving local labour market supply for business through the Local Jobs for Local People program. The Hume region is an engine room for the Victorian economy, accounting for 3.2 per cent of Victorian gross domestic product. There are some 90,000 people employed across more than 11,000 businesses.

## **Waste Management Strategy**

Council adopted its Waste Management Strategy in 2012 to complement Council's vision to support state government waste reduction targets.

The strategy highlights Council's endeavours to enhance community pride by resourcing services to deliver a clean appearance of the City and the actions and recommendations in the strategy address Hume's responsibility to meet the waste reduction and recovery targets outlined in state and federal legislation and policies.

The strategy provides strategic direction for recovery of resources and disposal of residual waste within Hume City Council.

The primary objectives of the strategy are to reduce waste to landfill and to increase resource recovery in accordance with state Towards Zero Waste targets and to implement best practice approach to waste management.

## **White Ribbon Action Team Strategy**

The White Ribbon Action Team Strategy was adopted in 2011.

The Strategy was developed as an outcome of the Community Safety Strategy 2009-2013 and due to the high incidence of family violence in Hume City.

The Strategy aims to strengthen Hume City Council's leadership in the prevention of violence against women and raise awareness, develop partnerships and strengthen the community's capacity to prevent violence against women.

It also aims to encourage corporate social responsibility of Hume businesses to prevent violence.

The strategy will guide the actions of the Hume White Ribbon Action Team which have been developed to support programs and activities of Council departments.

## **Customer Feedback and Complaints Policy**

Council adopted the Customer Feedback and Complaints Policy in November 2011.

An effective Customer feedback and complaints handling system is an essential part of the provision of quality service to the Hume community. The policy and associated process provides a model approach to customer feedback and complaint handling and outlines the essential features of Council's system to deal with feedback, including complaints.

The handling of all feedback will be in accordance with the Hume City Council values of respect, customer focus, collaboration and innovation.

The material in this policy is based on best practice advice from the Victorian Ombudsman's Office and a range of reference materials from other Governments and private sector companies.

## **Information Privacy and Health Records Policy**

The responsible handling of personal information is a key aspect of democratic governance and is strongly committed to protecting an individual's right to privacy.

Accordingly, Council is committed to full compliance with its obligations under the Information Privacy Act 2000 (Vic) and the Health Records Act 2001. In particular, Council will comply with the Information Privacy Principles (IPPs) and Health Privacy Principles (HPPs) contained in the Act. This Information Privacy and Health Records Policy explains some of these Principles and how they will apply to the community.

Council adopted its Information Privacy and Health Records Policy in November 2011.

## **Graffiti Management Policy**

While Council provides leadership in graffiti removal, graffiti management and prevention requires a collaborative approach with residents, property owners, the State Government and its agencies, neighbouring municipalities and other stakeholders.

The Graffiti Management Policy was adopted in November 2011 and was formulated to enhance Hume City by minimising the impact of graffiti.

The policy provides a framework that incorporates a range of actions to assist the community, residents and business to respond to the presence and incidence of graffiti.

Council is supportive of preventative approaches that will act as a deterrent to graffiti.

## **Sustainable Land Management Policy**

The Sustainable Land Management Policy was adopted by Council in November 2011 and aims to encourage and support rural land owners to undertake sustainable land management through the delivery of the Farm Rate Rebate and Land Rate Rebate schemes.

A Farm Rate Rebate and Land Rate Rebate provide rural land owners with financial assistance and encourage and support rural land owners to address land management issues such as weeds and pest animals, soil erosion and the protection of native vegetation.



## Service Highlights

**Council invested more than \$130 million towards the provision of more than 100 different Council services across the municipality during 2011/12.**

- Our customer service staff received more than 245,000 enquiries from the community – including 194,200 telephone calls, 47,640 face-to-face visits and 2,390 emails received.
- More than 38,400 tonnes of waste was collected from 61,058 Hume households – this equated to an average of 12 kilograms of waste collected weekly per household.
- An additional 6,558 tonnes of organic green waste was collected from 18,053 Hume households.
- There were 9,838 registered hard rubbish collections – this equated to a total volume of 34,041 cubic metres of hard rubbish removed.
- Council provided tree mulching services to 1,664 households and more than 14,000 trees were planted in Hume.
- Council provided 37,411 kilometres of roadside litter cleaning, 25,305 kilometres of mechanical street-sweeping and serviced 4,675 pits in underground drain cleaning.
- We removed 24,097 square metres of graffiti from public areas across the City.
- Council received 895 applications for planning permits.
- 423 building control investigations and 1545 asset protection permits were issued.
- A total of 45 subdivisions were processed in 2011/12.
- There were more than 580,000 visits to our libraries, with more than 1.2 million items borrowed.
- Our home and community care team provided more than 110,000 hours of assessments, homecare, respite, personal care and property maintenance to residents and provided more than 36,000 units of delivered meals.
- Council's immunisation team delivered more than 23,000 vaccines to the community.
- More than 15,800 dogs and 4,900 cats were registered in Hume.
- Our environmental health unit completed 1,703 registered premises under the Food Act.
- We provided more than 23,000 consultations with children and families through our maternal and child health service.
- We hosted over 580,000 visits to our three leisure centres.
- Council hosted five major events including the Hume Festival of Music, Broadmeadows Fiesta, Sunbury 175, Craigieburn Festival and Carols By Candlelight.



## Corporate Governance

### Representing and engaging our growing community

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

We believe that engaging our community through informing and involving them in our plans, initiatives and activities 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 2011/12 will enhance social outcomes and create a better future for our community. These achievements are

a direct result of the leadership role we play in representing and supporting our community and the positive relationships we have developed with our community and state and federal governments.

We have 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.

Under this regime, Council has continued to be ranked by our insurers in the top third of the state in the management of property and public liability risk.

The Risk Management Unit completed a full review and updates of all corporate risks contained within the risk management system in early 2012 and have made significant progress towards

completing a similar review of departmental risks.

Staff are educated on risk management policies and procedures through induction training and staff resource materials, including the Risk Management Manual and our Employee Handbook. In addition, risk management accountabilities are included in all position descriptions and performance reviews for senior staff. Refresher training in the use of Council's risk management system was provided to all managers and coordinators with risk reporting accountability in 2012. 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 main insurers, MAV Insurance and Jardine Municipal Asset Protection Plan (JMAPP) conduct biennial risk audits on Council's public liability and property risk systems and processes on a rotational basis.

The MAV Insurance risk audit was conducted in February 2011 and is scheduled for a further review in 2013, while the JMAPP audit was conducted in December 2011. The JMAPP review also incorporated a Fidelity Risk Management Audit on behalf of the Municipal Association of Victoria (MAV), which assesses Council's management control over fraud. Audit scores and rankings against other Victorian councils for the current and previous year are detailed in the table below.

Reviewer	Indicator	Current	Previous
MAV Insurance	Score (%)	96	93
	State Rank (/74)	5th	9th
	Regional Rank (/13)	1st	3rd
JMAPP	Score (%)	86.3	90
	State Rank (/74)	19th	9th
	Regional Rank (/13)	6th	3rd
Fidelity	Score (%)	96	91
	State Rank (/74)	6th	8th
	Regional Rank (/13)	2nd	1st

## Councillor Governance

**Councillor expenses:** The allowances range paid to Councillors was set by the Victorian Government on 1 December 2010. A Government Gazette Notice signed on 13 September 2011 determined to increase all Mayoral and Councillor Allowances by an adjustment factor of 2.5 per cent, effective from 1 December 2011.

The actual amount paid to Hume Councillors was within the prescribed range determined by Council – which is \$91,143 for the Mayor and \$28,536 for Councillors. As part of Council's commitment to open and transparent government,

Council publishes details of Councillor expenses on its website.

**Councillor equipment:** Councillors are each provided with a laptop, wireless internet access, Blackberry devices, multi-function printer, fax and scanner and Cabcharge Card. Cr Porter did not take up the option of a Blackberry device and reverted to a standard mobile phone. In addition, the Mayor is provided with a car during the Mayoral term.

**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 2011/12

Ward meetings that were held in 2011/12 include:

- **Airport Ward** (Hume Global Learning Centre) – 20 July 2011;
- **Merri Ward** (Hume Global Learning Centre) – 12 October 2011;
- **Aitken Ward** (Roxburgh Park Recreation Centre) – 7 March 2012; and
- **Jacksons Creek Ward** (Sunbury Memorial Hall) – 30 May 2012.

A total of 299 people attended the Ward Meetings including Airport Ward – 55 people; Merri Ward – 46 people, Aitken Ward – 102 people and Jackson Creek – 96 people.

## Councillor Attendance at Council Meetings

Councillor meeting attendance from 1 July 2011 to 30 June 2012.

Councillor	Meetings attended (/22)
Helen Patsikatheodorou	19*
Geoff Porter	22
Burhan Yigit	22
Vic Dougall	21*
Ros Spence	21*
Drew Jessop	20
Adem Atmaca	21*
Ann Potter	22
Jack Ogilvie	20

\*All Councillor absences were recorded in the minutes as an apology for the relevant Meeting.

## 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, work occupational health and safety, privacy and governance practices, together with oversight of the internal and external audit process.

In 2011, the Department of Planning and Community Development released a document titled 'Audit Committees – A Guide to Good Practice for Local Government'.

The Audit Committee Good Practice Guide for Local Government provides a benchmark guideline for Audit Committee governance and practice across the industry, providing the best practise principles which Council has chosen to adopt under the Audit Committee Instrument of Delegation and Charter.

Following a process of self-review, it was identified that while the committee's processes were in the main consistent with the guide, there were areas of process where Council's current practices were inconsistent with certain recommendations made in the guide, offering Council opportunities for improvement.

The recommendations adopted by the Audit Committee in October 2011, following endorsement by Council, included:

- Provide for a majority of independent members on the Audit Committee through the appointment of a third independent member;
- Preparation of an induction package for any new members using the Good Practice Guide as a template;
- At the next review of the Audit Committee Charter, include the requirements for the Committee to assess commercial interests;
- All Audit Committee meeting agendas to be forwarded to the external auditors for information;
- Reiterate the standing invitation to the external auditors to the Audit Committee meeting and include this in the minutes; and
- Review website information and incorporate details as recommended by the Good Practice Guide.;

At the May 2012 meeting, the committee met for the first time with a majority of independent members. The committee now comprises three independent members and two Councillor members. Mr Hugh Parkes, who was the chairman of the committee, retired effective February 2012 and Mr John Thomson, who had been an independent member of the Committee, was appointed chairman.

After a recruitment process, Mr Brian Keane and Ms Claire Filson were appointed as independent members of the committee. The Mayor and Cr Jack Ogilvie are the councillor members on the committee. Except for the 25 May 2012 meeting, where Councillor Jack Ogilvie was an apology, all members attended all meetings for which they were eligible to attend.

**Internal Audit:** Deloitte Touche Tohmatsu (Deloitte) were appointed in August 2008 as Council's internal auditors for a period of three years. Council has since opted for a two-year extension of this appointment. 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.

The Audit Committee met four times during 2011/12 to review and consider the following internal audit reports undertaken by Deloitte.

- Reports on Building Control Management, Computer Assisted Audit Tools (CAATs) deferred from 2010/11, Events Management, Leases and Agreements and Community Grants were completed and presented to the Audit Committee during 2011/12.
  - Two Internal audits; Infringements and follow up of prior period findings were undertaken in 2011/12 and are scheduled to be presented to the Audit Committee at the August 2012 meeting.
  - Two internal audits; capital works and CAATs conducted during 2011/12 will be presented to the Audit Committee at the November 2012 meeting.
- 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.
  - The strategic audit plan for the two-year period 2011-2013 was considered and adopted.

#### **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 2011.

The external auditor is appointed and managed by the Auditor-General. Although Council's Audit Committee has limited opportunity to influence the scope of work undertaken by the external auditor, the committee monitors the ongoing performance of the external auditor by reviewing the proposed audit scope and approach and monitoring the progress of actions in relation to findings and recommendations made by the external auditor.

The External Audit Management Letter recommendations were reviewed and considered at each meeting during the year, including progress made by management in implementing the recommendations. Consideration of interim external audit work undertaken and preparedness for the 2011/12 financial statements was reviewed at the May meeting.

#### **Other matters:**

- Minutes of meetings of the Audit Committee are provided to Council in accordance with the Instrument of Delegation.
- The following reports were presented to the Audit Committee for consideration:
  - Fraud Control Plan Update;
  - Quarterly Finance Reporting;
  - Hume's Information Architecture and Condition and Integrity of the Databases it contains;
  - Risk Management Reporting;
  - Review of Risk Management; Framework and Policy;
  - JMAPP Property Risk; Management and Commercial Crime Insurance Audit Results 2010-2012;
  - Audit Committee Charter Performance Monitoring and Self-Assessment;

- Victorian Auditor-General's Reports on:
  - Business planning for major capital works and recurrent services in local government, including a self-assessment report;
  - Road bridges;
  - Compliance with building audits;
  - Management of contaminated sites; and
  - Performance reporting by local government;
- Local government investigations and Compliance Inspectorate Audit – February;
- Disaster recovery testing;
- Internal audit tender; Management – additional sample of tender files;
- Step program update;
- Fraud register notifications; and
- Insurance policy review.

(c) Any recommendations made in any of the above reports which 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 City Sustainability – August 2011
- Director Organisation & Community Learning – October 2011
- Director City Communities – February 2012

## 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;
- 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)** the total remuneration for all senior officers, in respect of the current financial year and the previous financial year, set out in a list that states –

(i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000

(ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i);

**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 and 98 of the Act, including the dates on which the last reviews under section 86(6) and 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

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

**2)** Councillor Reimbursement Policy under section 75B of the Local Government Act 1989.

## Whistleblowers Protection Act

In accordance with the Whistleblowers Protection Act 2001, Act No. 36/2001, Section 105 - Reports by Councils in relation to disclosures relating to officers and employees of councils, the following information is supplied for the period 1 July 2011 to 30 June 2012:

Topic	Report
Procedures established by the Council under Part 6.	Adopted by Council on 10 December 2001 and are available for inspection by the public at Council offices during normal business hours free of charge.
The number and types of disclosures made to the Council during the year.	Nil
The number of disclosures referred during the year by the Council to the Ombudsman for determination as to whether they are public interest disclosures.	Nil
The number and types of disclosed matters referred to the Council during the year by the Ombudsman.	Nil
The number and types of disclosed matters referred during the year by the Council to the Ombudsman to investigate.	Nil
The number and types of investigations of disclosed matters taken over by the Ombudsman from the Council during the year.	Nil
The number of requests made under section 74 during the year to the Ombudsman to investigate disclosed matters.	Nil
The number and types of disclosed matters that the Council has declined to investigate during the year.	Nil
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil
Any recommendations of the Ombudsman under this Act that relate to the Council.	Nil

## Freedom of Information

The Freedom of Information 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 2010/11 was \$24.40 and has been determined at \$25.10 for 2012/13.

The following information is supplied for the current and preceding periods:

	2008/ 09	2009/ 10	2010/ 11	2011/ 12
In Progress previous year (active requests)	3	4	7	5
Requests for year	17	27	24	74
Total number of requests	20	31	31	79
Access granted in full	4	5	13	18
Access granted in part	10	15	9	16
Access denied in full	Nil	Nil	Nil	1
No documents identified	2	1	1	24
Other – Withdrawn	Nil	3	Nil	1
Other – In Progress end of year	4	7	5	15
Aged requests from previous years determined as no longer active	Nil	Nil	3	4
Total dealt with in year under review	20	31	31	79
Number of internal reviews sought	1	5	Nil	Nil
Number of appeals lodged with the Victorian Civil and Administrative Tribunal	Nil	1	Nil	Nil
Total Charges Collected	\$789	\$1,351	\$1,325	\$1,957



## Providing grants to our community

### Grants for our community

More than 300 individuals and organisations shared in over \$700,000 in funding for a range of programs and initiatives that strengthen our community.

The funding programs included the Community Grants Program, Education Scholarships, Road Safety Grants, International Women's Day, Neighbourhood Houses, Sports Aid Grants, Hume Arts Awards, Hume Charitable Fund, Hume Mayor's Discretionary Fund, Road Safety Grants and Hume Festival of Music.

The 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 during 2011/12.

Community Activity	
Group	Amount \$
Broadmeadows Community Toy Library Committee Inc	2,000
Sunbury Community Arts Network Inc	
Sunbury Toy Library Inc	
Upfield Soccer Club Inc	
Y Art (Youth Art) Inc	1,743
Tullamarine Football Club Inc	1,500
St Johns Ambulance Australia (Vic) Inc - Hume Division	1,197
African Australian Food Relief Association Inc	1,100
Australian Assyrian Arts and Literature Foundation Inc	
Australian Croatian Senior Citizens Club of Gladstone Park Inc	
Australian Friendly Turkish Women's Group - Banksia	
Australian Kirsehir Cultural & Support Association Inc	
Australian Mesopotamian Women Association Inc	
Beth-Nahrin Cultural Club Inc	
Broadmeadows & District Garden Club Inc	
Broadmeadows Greek Elderly Citizens Club Inc	
Broadmeadows Greek Women's Club Inc	
Broadmeadows Historical Society Inc	
Broadmeadows Progress Association	
Broadmeadows Remembrance Memorial Association Inc	
Broadmeadows Turkish Senior Citizens Club Inc	
Bulla Agility Dogs Inc	

<b>Community Activity</b>	
<b>Group</b>	<b>Amount \$</b>
Calder Cannons Football Club	1,100
Campbellfield Lions Soccer Club Inc	
Circolo Pensionati Italiani Di Gladstone Park Inc	
Circolo Pensionati Italiani Di Greenvale Inc	
Circolo Pensionati Italiani Di Tullamarine Inc	
Club Bridgewater Bowls	
Council of Turkish Associations of Victoria Inc	
Country Womens Association of Vic Inc - Sunbury Branch	
Craigieburn & District First Response Team Inc	
Craigieburn Art Group Inc	
Craigieburn Bowling Club Inc	
Craigieburn Circle of Friendship - Coffee, Craft & Chat Group - St Thomas	
Craigieburn Historical Interest Group Inc	
Craigieburn Little Athletics Centre	
Craigieburn Rugrats Playgroup	
Dianella Water & Chair Based Exercise Group	
Diversity of Cultures Mental Health Support Group	
Fiji Social & Cultural Organisation of Victoria Australia Inc FSCOVA	
Friends of Will Will Rook Pioneer Cemetery Inc	
Gladstone Park Badminton Association Inc	
Glenroy Neighbourhood Learning Centre Inc	
Goonawarra Bilbys Playgroup Association Inc	
Goonawarra Golf Club Ltd	
Greek & Cypriot Social/Welfare Centre Inc	
Greek Orthodox Community of Broadmeadows & Districts Inc	
Greek Society of the Senior Citizen & Disabled Club of Gladstone Park & Tullamarine Inc	
Greenvale Residents Association Inc	

<b>Community Activity</b>	
<b>Group</b>	<b>Amount \$</b>
Gumnuts Playgroup - Sunbury	1,100
Highlands Retirement Village Social Club	
Hume/Calder Life Education Centre Inc	
Hume Community First Inc	
Hume Mens Shed (Sunbury) Inc	
Hume Police Youth Resource Office - ROPES	
Hume Toastmasters	
Hume U3A Inc	
Jacana Cricket Club Inc	
Jacana Football Club Inc	
Jacana Junior Football Club Inc	
Jacana Youth Girls Football Club Inc	
Jacksons Creek Combined Probus Club Inc	
Jacksons Creek Town Club Inc	
Kiwanis Club of Sunbury Inc	
Ladies Probus Club of Sunbury Inc	
Macedon Ranges Further Education Centre Inc	
Meadows Primary School & Early Learning Centre - Facilitated Playgroups	
North Victoria Sri Lankan Welfare Association Inc	
North West Multiple Birth Club Inc	
Northside Malayalee Community Club Inc	
Prism10 SSAT / GLBT Group - Banksia	
Probus Club of Sunbury Inc	
Risale-i Nur Institute of Australia Inc	
Rotaract Club of Tullamarine Inc	
Roxburgh College - Support Engaging Parents	
Roxvale Calisthenics College	
Roxy Happy Club - MHLS	
RVAHJ - City & Northern Branch	
1st Sunbury Scout Group	
3rd Sunbury Scout Group	
Hume District Scouts	
Somali Australian Cultural Foundation Inc - MHLS	
Somali South Western Community Relief of Australia Inc	

<b>Community Activity</b>	
<b>Group</b>	<b>Amount \$</b>
Spanish Speaking Community of Hume Inc	1,100
Speaking Out For Autism Inc - SOFA	
St Addai Community Society Inc	
St Andrews Kindergarten Sunbury	
St Annes Primary School	
St Maratken Community Society Inc	
Sunbury & District Greek Seniors Club Inc	
Sunbury & District Heritage Association Inc	
Sunbury & District Obedience Dog Club Inc	
Sunbury & District Over 60's Cricket Club Inc	
Sunbury & District Woodworkers Club Inc	
Sunbury Art Society Inc	
Sunbury Bridge Club	
Sunbury District Probus Club Inc	
Sunbury Garden Club Inc	
Sunbury Ladies Batanrouge Club Inc	
Sunbury Lay Ecumenical Committee Inc	
Sunbury Legacy Widows Club	
Sunbury Police Community Consultative Committee	
Sunbury Police Community Register	
Sunbury School of Calisthenics Inc	
SunRanges Twins Plus Inc	
Tagiilima Unilink Samoa SAASAA Inc - MPS	
Terminate Tulla Toxic Dump Action Group Inc	
The Discoverers - Sunspec Support Group Inc	
The Popular Chaldean Syriac Assyrian Suraya Council Inc - CSASC	
Uncle Bobs Club - Craigieburn Group	
Vietnamese Senior Citizens Group of Hume	
Vietnamese Women's Association in Broadmeadows Inc	
Villa Maria Society	
Wandara Aboriginal Group	
Zahrira Social Club Inc	

<b>Community Activity</b>	
<b>Group</b>	<b>Amount \$</b>
Active Womens Group - Banksia	1,000
Broadmeadows Auskick Clinic	
Broadmeadows Community Singers - MHLS	
Broadmeadows Obedience Dog Club Inc	
Broadmeadows Residents Advisory Team (BRAT) Inc	
Creative Womens Craft Group - Banksia	
Homework Study Group Banksia	
Migrant Resource Centre North West Region Inc	
National Servicemen's Association Sunbury Sub Branch	
Northern Suburbs Arab Senior Citizens Club Inc	
Northern Turkish Family Association Inc	
Northern Turkish Womens Association Inc	
Roxburgh Park Primary School	
Somali Youth Group - Banksia	
Spectrum Migrant Resource Centre Inc	
Sunbury Senior Citizens Club Inc	
The Iraqian & the Australian Friendships Association Inc	
Turkish Teachers Association of Victoria Inc	
VICSEG Ltd - New Futures	
Women's Sewing Group - Banksia	
Woodlands Ladies Probus Club of Sunbury Inc	
Parkinsons - Essendon Support Group	950
Sunbury Family History Society Inc	900
Sunbury U3A Inc	
Kids Hope AUS - St Marys Church Sunbury	850
Circolo Pensionati Multiculturale Di Greenvale Inc	800
Filipino Australian Society of Melbournes Northwest Inc	
Holy Child Parish Christmas Dinner Group	
Our Lady of Mt Carmel Historical Committee	
Sunbury Day Time Group - Melbourne PC Users	

<b>Community Activity</b>	
<b>Group</b>	<b>Amount \$</b>
Sunbury Depression & Anxiety Self Help Group Inc	800
Westmeadows Auskick	
Lions Club of Glenroy Inc	750
Gladstone Park Tennis Club Inc	600
Sunbury Little Athletics Centre Inc	
<b>Total</b>	<b>163,390</b>

<b>Innovation</b>	
<b>Group</b>	<b>Amount \$</b>
Arabic Welfare Inc	5,000
Broadmeadows Disability Services - Discomania	
Cancer & Natural Therapy Foundation of Australia Inc	
Chaldean Social & Welfare Association of Australia Inc - Babylon Club	
Citizen Advocacy Sunbury & Districts Inc	
Dianella Community Health - Broad Insight Group	
Greek Australian Recreational & Instructive League of Victoria Inc	
Meadow Heights Learning Shop Inc	
Sunbury Police & Citizens Youth Club Inc	
<b>Total</b>	<b>45,000</b>

<b>Partnership</b>	
<b>Group</b>	<b>Amount \$</b>
<b>Tier 1</b>	
Distinctive Options	10,000
Muslim Womens Council of Victoria Inc	
Parent Drug Information Support Inc	
Sunspec Support Group for Families/ Carers of People with Disabilities Inc	
<b>Tier 2</b>	
BoilOver Inclusive Performance Ensemble - SCHC	20,000
Dianella Community Health - Broad Insight Group	
Victorian Immigrant and Refugee Womens Coalition Inc	
<b>Total</b>	<b>100,000</b>

<b>Neighbourhood House</b>	
<b>Group</b>	<b>Amount \$</b>
Attwood House Community Centre Association	13,140
Banksia Gardens Association Inc	
Broadmeadows Women's Community House - Anglicare	
Craigieburn Education and Community Centre Inc	
Dallas Neighbourhood House Inc	
Goonawarra Neighbourhood House Inc	
Sunbury Neighbourhood House	
Tullamarine Community House Inc	
North West Neighbourhood House Network Inc	
<b>Total</b>	<b>118,260</b>

<b>Neighbourhood House Enhancement</b>	
<b>Group</b>	<b>Amount \$</b>
Attwood House Community Centre Association	11,345
Banksia Gardens Association Inc	12,375
Broadmeadows Women's Community House - Anglicare	13,405
Craigieburn Education and Community Centre Inc	15,625
Dallas Neighbourhood House Inc	13,405
Goonawarra Neighbourhood House Inc	12,375
Sunbury Neighbourhood House Inc	12,375
Tullamarine Community House Inc	11,345
<b>Total</b>	<b>102,250</b>

<b>2011/2012 Community Grants</b>	
<b>Group</b>	<b>Amount \$</b>
Community Activity	163,390
Innovation	45,000
Partnership Tier 1 & Tier 2	100,000
Neighbourhood House	118,260
Neighbourhood House Enhancement	102,250
<b>Total</b>	<b>528,900</b>

<b>2012 Education Scholarship Grants</b>		
<b>Student Name</b>	<b>Nominating Primary School</b>	<b>Grant Given \$</b>
A. Moore	Aitken College	500
C. Yang	Bethal Primary School	
L. Benjamin	Broadmeadows Primary School	
J. Vallaro	Broadmeadows Special Developmental School	
A. McDonald-Johnson	Broadmeadows Valley Primary School	
N. Elkheir	Campbellfield Heights Primary School	
E. Lee	Coolaroo South Primary School	
S. Brown	Craigieburn Primary School	
A. MacPherson	Craigieburn South Primary School	
S. Kennedy	Dallas Brooks Community Primary School - Dallas Campus	
H. Attard	Dallas Brooks Community Primary School - Upfield Campus	
M. Kirdar	Dallas North Primary School	
E. Fata	Gladstone Park Primary School	
J. Paulka	Gladstone Views Primary School	
B. Dos Santos	Good Samaritan Catholic Primary School	
J. Gardener	Goonawarra Primary School	
E. Adams	Greenvale Primary School	
S. Marogi	Holy Child Catholic Primary School	
J. Amarasingham	Hume Anglican Grammar School	
J. Al Assad	Hume Valley School	
Z. Huda Nur Temel	Ilim College of Australia	
H. Ergi	Isik College	
J. Pollard Wright	Killara Primary School	
N. Ritchie	Kismet Park Primary School	
N. Yener	Meadow Heights Primary School	

<b>2012 Education Scholarship Grants</b>		
<b>Student Name</b>	<b>Nominating Primary School</b>	<b>Grant Given \$</b>
D. Eid	Meadows Primary School	500
L. Tringali	Mickleham Primary School	
V. Scuteri	Mother Teresa Catholic Primary School	
S. Roma	Mt. Ridley College	
C. Sanford	Our Lady of Mt. Carmel Catholic Primary School	
N. Nader	Our Lady's Catholic Primary School	
W. Johnson	Redrock Christian College	
I. Pekgor	Roxburgh Homestead Primary School	
J. Kamat	Roxburgh Park Primary School	
AJ. Pesamino	Roxburgh Rise Primary School	
A. Loka	School of the Good Shepherd	
K. Gentiluomo	St. Anne's Catholic Primary School	
L. James	St. Carlo Borromeo Catholic Primary School	
M. Petros	St. Dominic's Catholic Primary School	
M. Rizkalla	St. Mary's Coptic Orthodox College	
J. Armstrong	Sunbury & Macedon Ranges Specialist School	
J. Sasulu	Sunbury Heights Primary School	
L. Bovezza	Sunbury Primary School	
G. Holmes	Sunbury West Primary School	
B. Mallinson-Cesar	Tullamarine Primary School	
B. Gallagher	Westmeadows Primary School	
K. Campbell	Willmott Park Primary School	
<b>Grant</b>		<b>23,500</b>
<b>GST</b>		<b>2,350</b>
<b>GST Inclusive Total \$</b>		<b>25,850</b>

### Hume Aileu Education Scholarship Program

Scholarships were awarded to 30 East Timorese students. Each scholarship recipient received an equal share in \$3,500 (Australian) granted in accordance with the Council's 2012 Hume Aileu Education Scholarship Program.

Student Name	East Timorese Sub-District
Augusto Mendonça	Aileu Vila
Benedita de Jesus Pereira Araujo	Remexio
Calistro Amaral	Lequidoe
Carlota de Jesus Carvalho	Remexio
Clementino Mendonça	Remexio
Delfina Pires Soares	Laulara
Estanislau da Costa	Remexio
Elisabeth Pires	Aileu Vila
Fidelis Xavier Pereira	Aileu Vila
Fátima Lemos Araujo	Laulara
Filomeno Tilman	Aileu Vila
Flaviana M. M. Da Silva	Aileu Vila
Gonsalo Amarante da Silva	Laulara
Geraldo da C. Mendonça	Remexio
Imaculada Mesquita	Lequidoe
Imaculada da Conceição	Laulara
Jaime Reinato Soares	Aileu Vila
Joana José	Remexio
Judith do Rêgo	Lequidoe
Leonardo Pereira Araujo	Aileu Vila
Manuel Tilman Magalhães	Aileu Vila
Matias Mali	Aileu Vila
Matilde Carvalho Amaral	Remexio
Mariana de Jesus Soares	Remexio
Mariana da Silva Bi-quinta	Aileu Vila
Natalina Ximenes	Remexio
Natalino Faria da Silva	Aileu Vila
Natalino Soares	Aileu Vila
Natalisa Isaura Fátma Almeida	Aileu Vila
Rosita Fátima	Aileu Vila

**Hume Aileu Education Scholarship Program  
Total \$ 3,500**

### Hume Arts Awards 2012

Awardee name	Amount
Tamara Searle	\$3000
Benjamin Falcome-May	\$3000
Anisa Sharif	\$3000
Amanda Reddan	\$3000
Megan Martinuzzo	\$750
Sarah Talbot	\$750
Shannon Talbot	\$750
Samantha Estepho	\$750
Catherine Simmonds	\$500
David Osborne	\$500
Demet Divaroren	\$500
Kemal Sarialioglu	\$500
Emma Norton	\$500
Ace Wagstaff	\$500
Scott Boyd	\$500
Jacque Blight	\$500
Marie Afram	\$500
Rushan Maeda	\$500
Steve Pettenon	\$500
<b>TOTAL</b>	<b>\$20,500</b>

### Road Safety Partnership Grants

A total of fourteen School Campuses including Special Developmental Schools within Hume City received funding to conduct road safety programs including 'Fit to Drive'.

School - Campus	Participants	Amount \$	GST \$	Total \$
Aitken College	140	1,372	137	1,509
Broadmeadows Special Developmental School	120	1,176	118	1,294
Craigieburn Secondary College	160	1,568	157	1,725
Gladstone Park Secondary College	260	2,548	255	2,803
Hume Anglican Grammar	40	392	39	431
Hume Valley School	260	2,548	255	2,803
Ilim College	60	588	59	647
Isik College - East Meadows Campus	60	588	59	647
Isik College - Meadow Fair Campus	80	784	78	862
KOLBE Catholic College	120	1,176	118	1,294
Penola Catholic College	260	2,548	255	2,803
Roxburgh College	220	2,156	215	2,371
St Mary's Coptic Orthodox College	60	588	59	647
Salesian College	180	1,764	176	1,940
Sunbury & Macedon Ranges Specialist School	140	1,372	137	1,509
Sunbury College	200	1,960	196	2,156
Sunbury Downs College	80	784	78	862
<b>Totals</b>	<b>2,440</b>	<b>23,912</b>	<b>2,391</b>	<b>26,303</b>

### 2012 International Women's Day Grants

#### International Womens Day Celebrations and Activities

Group	Amount \$	GST \$	Total \$
Arabic Welfare Inc	1,000	100	1,100
Banksia Gardens Community Centre Inc - Neighbourhood House Collaboration	3,500	350	3,850
Coolaroo South Primary School	2,000	200	2,200
International Women's Day Steering Committee - Sunbury Community Health Centre	3,500	350	3,850
Victorian Immigrant & Refugee Women's Coalition	3,500	350	3,850
<b>Total</b>	<b>13,500</b>	<b>1,350</b>	<b>14,850</b>

### Hume Charitable Fund 2011

Group	Amount \$
Lighthouse Foundation	2,500
E Qubed	4,850
Meadow Heights Learning Shop	5,000
Riding for the Disabled (Oaklands)	5,000
Brotherhood of St. Laurence (Craigieburn)	4,316.20
Careworks Sun Ranges	5,000
<b>TOTAL</b>	<b>26,666.20</b>

**Hume Festival of Music Grants**

<b>Group</b>	<b>Amount \$</b>
Meadow Heights Learning Shop	1,800
Sunbury Community Arts Network	1,800
Dallas Neighbourhood House	1,800
Victorian Foundation for Survivors of Torture (Bhutanese)	1,800
Broadmeadows Turkish Senior Citizens Club	1,600
Kangan Institute	2,000
Sunbury Divas	1,600
Victorian Arabic Social Services (VASS)	1,800
Broadmeadows Residents Advisory Team (BRAT)	1,600
Sunbury Community Health Centre	1,400
Meadows Primary School	2,000
Fiji Social and Cultural Organisations of Victoria Australia (FSCOVA)	1,800
Assyrian Culture Centre of Aust.	1,000
<b>TOTAL</b>	<b>22,000</b>

**Sports Aid Grants**

<b>First Name</b>	<b>Last Name</b>	<b>Sport</b>	<b>Event Level</b>	<b>Amount \$</b>
Mia	Balangue	Tae Kwan Do	International	1,000
Bridget	Byrne	Irish Dancing	International	1,000
Leigh	Dean	Basketball	International	1,000
Renae	Farrugia	Archery	International	1,000
Nicole	Jovanovic	Athletics	Interstate	500
Corey	Morton	Gymnastics	Interstate	500
John	Ooi	Swimming	Interstate	500
Gemma	Rickard	Athletics	Interstate	500
Seden	Agar	Tennis	Local	285
Seren	Agar	Tennis	Local	285
Abigaille	Flordeliz	Tae Kwan Do	Local	285
Thomas	Flordeliz	Tae Kwan Do	Local	285
Aaron	James	Golf	Local	285
Simone	Wright	Callisthenics	Local	285
Chelsea	Wright	Callisthenics	Local	285
<b>TOTAL</b>				<b>7,995</b>

### Mayoral Discretionary Fund 2011-12

Date	Mayor	Narrations	Amount	Balance*
20/07/2011	Cr Patsikatheodorou	Donation to John Sercombe to assist with the costs of attending the 2011 Africa Games in Mozambique	\$500	\$5,500
26/07/2011	Cr Patsikatheodorou	Donation to the Greek Elderly Citizens Club Gladstone Park to assist with the cost of holding a volunteer Recognition Night in August 2011	\$500	\$5,000
1/09/2011	Cr Patsikatheodorou	Donation to Run For CF - Cystic Fibrosis KM's for a Cure Fundraiser	\$400	\$4,600
13/10/2011	Cr Patsikatheodorou	Donation to Wandarra Aboriginal Community Group to assist with the cost of attending the Aboriginal Sports Carnival in Mildura	\$500	\$4,100
14/11/2011	Cr Patsikatheodorou	Donation to UnitingCare Sunshine and Broadmeadows to assist with the Christmas Emergency Relief Program.	\$500	\$3,600
28/11/2011	Cr Patsikatheodorou	Donation to Sarah Relf to assist with the cost of taking part in a University Exchange Program in Finland in January 2012.	\$500	\$3,100
17/02/2012	Cr Spence	Donation to Victoria State Emergency Service - Craigieburn Unit for the cost public liability insurance for the 2012 ANZAC Day Ceremony in Craigieburn	\$445.50	\$2,654.50
13/04/2012	Cr Spence	Donation to the Apex Club of Sunbury to assist with set-up costs for the Club	\$500	\$2,154.50
18/04/2012	Cr Spence	Donation to Lizzie Fernandes (care of Minio Fernandes) to assist with costs associated with Lizzie attending the Hip Hop Championships in Las Vegas to represent Australia	\$500	\$1,654.50
18/04/2012	Cr Spence	Donation to Sunbury Downs College to help finance the School's Breakfast Club Program	\$500	\$1,154.50

HUME CITY COUNCIL  
**FINANCIAL REPORT**  
**2011-2012**

[www.hume.vic.gov.au](http://www.hume.vic.gov.au)

HUME CITY COUNCIL  
**STANDARD  
STATEMENTS**

### **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 59 to 62 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 27 June 2011. 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 59 to 102. The detailed Budget can be obtained by contacting Council or from the Council's website, [www.hume.vic.gov.au](http://www.hume.vic.gov.au). The Standard Statements must be read with reference to these documents.

	Budget 2012 \$'000	Actual 2012 \$'000	Variances		Ref
			\$'000	%	
<b>Income</b>					
Rates and charges	107,952	108,214	262	0.2	
Statutory fees and fines	6,798	7,853	1,055	15.5	1
User fees	17,759	18,479	720	4.1	
Grants - recurrent	28,762	34,318	5,556	19.3	2
Contributions - cash	5,379	4,321	(1,058)	(19.7)	3
Other income	2,889	4,124	1,235	42.7	4
<b>Total income</b>	<b>169,539</b>	<b>177,309</b>	<b>7,770</b>	<b>4.6</b>	
<b>Expenses</b>					
Employee benefits	78,137	87,458	(9,321)	(11.9)	5
Materials and services	44,727	50,330	(5,603)	(12.5)	6
Grants, contributions and donations	3,504	4,249	(745)	(21.3)	7
Depreciation and amortisation	23,891	24,906	(1,015)	(4.2)	
Finance costs	1,476	1,217	259	17.5	8
Other expenses	3,144	3,176	(32)	(1.0)	
<b>Total expenses</b>	<b>154,879</b>	<b>171,336</b>	<b>(16,457)</b>	<b>(10.6)</b>	
<b>Underlying surplus</b>	<b>14,660</b>	<b>5,973</b>	<b>(8,687)</b>	<b>(59.3)</b>	
Net gain on disposal of property, plant, equipment and infrastructure	-	195	195	100.0	9
Contributions - non-monetary assets	24,536	41,010	16,474	67.1	10
Grants - non-recurrent	4,066	7,077	3,011	74.0	11
<b>Surplus for the year</b>	<b>43,262</b>	<b>54,255</b>	<b>10,993</b>	<b>25.4</b>	
<b>Other comprehensive income</b>					
Net asset revaluation increment	88,713	82,276	(6,437)	(7.3)	
Fair value adjustment for investment property	1,972	4,990	3,018	153.0	12
<b>Comprehensive result</b>	<b>133,947</b>	<b>141,521</b>	<b>7,574</b>	<b>5.7</b>	

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	Statutory fees and fines	The favourable variance primarily relates to an increase in infringements due to increased enforcement (e.g. building and local laws) as well as higher application fees in planning and sub-divisions due to greater sub-divisional activity in the City's northern growth corridor.
2	Grants - recurrent	Several government grants were received during the year which were unbudgeted for including the Supporting Parents Developing Children, Healthy Hume, Preventative Health and Early Years Change Management grants. In addition, the Victorian Grants Commission paid 50% of the 2012/13 allocation in advance.
3	Contributions - cash	The unfavourable variance is predominantly due to some developer contributions for Residential Precinct Structure Plans in Greenvale and Craigieburn which will now be received as works in lieu of cash.
4	Other income	The favourable variance relates to higher investment earnings due to holding larger than expected cash balances throughout the year.
5	Employee benefits	The unfavourable variance relates to the LASF Defined Benefit Plan (Vision Super) funding shortfall. Employers received a call to replenish the fund and Council's share of the liability, including contributions tax is \$11.29m. Council was notified of this funding shortfall on 31 July 2012. Excluding this shortfall, employee benefits were favourable to budget by \$1.97m due to unfilled positions throughout the year. This is offset by an unfavourable variance in agency staff.
6	Materials and services	The unfavourable variance primarily relates to the following unbudgeted expenditure: <ul style="list-style-type: none"> <li>• \$1.2m in capital works projects expensed as the expenditure did not meet Council's asset capitalisation threshold.</li> <li>• \$ 1.9m 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.</li> <li>• \$0.83m 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.</li> <li>• Additional expenditure as a result of unbudgeted grants received.</li> </ul>
7	Grants, contributions and donations	The unfavourable variance relates to the receipt of additional grants throughout the year (see note 2 above) which were paid to external organisations.
8	Finance costs	Favourable as Council did not require planned borrowings of \$3.5m as a result of holding higher cash balances throughout the year.
9	Net gain on disposal of property, plant, equipment and infrastructure	Above budget due to the sale of two parcels of land. In setting the budget, Council's philosophy is not to rely on property sales to fund its operations.
10	Contributions - non-monetary assets	Above budget due to a higher level of developer contributions as a result of continued growth in the City's north. In addition, land under roads are not budgeted for.
11	Grants - non-recurrent	The favourable variance primarily relates to an unbudgeted government grant for the Broadmeadows Leisure Centre redevelopment and a contribution for the upgrade of the Aitken Creek drainage scheme.
12	Fair value adjustment for investment property	The favourable variance relates to a higher than expected increase in the valuation of Council's investment properties. Overall strong growth has been recorded throughout the municipality due to improved infrastructure and road networks, proximity to the city and the ongoing investment in community facilities.

	Budget 2012 \$'000	Actual 2012 \$'000	Variences \$'000	%	Ref
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	21,495	52,595	31,100	144.7	13
Trade and other receivables	16,929	16,312	(617)	(3.6)	
Non-current assets classified as held for sale	-	588	588	100.0	14
Other assets	1,456	846	(610)	(41.9)	15
<b>Total current assets</b>	<b>39,880</b>	<b>70,341</b>	<b>30,461</b>	<b>76.4</b>	
<b>Non-current assets</b>					
Trade and other receivables	316	309	(7)	(2.2)	
Financial assets	250	250	-	-	
Property, plant, equipment and infrastructure	1,640,807	1,638,161	(2,646)	(0.2)	
Investment property	40,461	42,970	2,509	6.2	
<b>Total non-current assets</b>	<b>1,681,834</b>	<b>1,681,690</b>	<b>(144)</b>	<b>(0.01)</b>	
<b>Total assets</b>	<b>1,721,714</b>	<b>1,752,031</b>	<b>30,317</b>	<b>1.8</b>	
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	18,022	29,431	(11,409)	(63.3)	16
Trust funds and deposits	342	631	(289)	(100.0)	17
Provisions	15,392	16,501	(1,109)	(7.2)	19
Interest-bearing loans and borrowings	1,581	1,186	395	25.0	18
<b>Total current liabilities</b>	<b>35,337</b>	<b>47,749</b>	<b>(12,412)</b>	<b>(35.1)</b>	
<b>Non-current liabilities</b>					
Trust funds and deposits	2,014	2,147	(133)	(6.6)	
Provisions	5,357	8,744	(3,387)	(63.2)	19
Interest-bearing loans and borrowings	17,001	14,185	2,816	16.6	18
<b>Total non-current liabilities</b>	<b>24,372</b>	<b>25,076</b>	<b>(704)</b>	<b>(2.9)</b>	
<b>Total liabilities</b>	<b>59,709</b>	<b>72,825</b>	<b>(13,116)</b>	<b>(22.0)</b>	
<b>Net assets</b>	<b>1,662,005</b>	<b>1,679,205</b>	<b>17,200</b>	<b>1.0</b>	
<b>Equity</b>					
Accumulated surplus	914,133	921,967	7,834	0.9	
Asset revaluation reserve	742,631	736,195	(6,436)	(0.9)	
Other reserves	5,241	21,043	15,802	301.5	20
<b>Total equity</b>	<b>1,662,005</b>	<b>1,679,205</b>	<b>17,200</b>	<b>1.0</b>	

The above Standard Balance Sheet should be read in conjunction with the accompanying General Purpose Financial Statements.

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
13	Cash and cash equivalents	Cash balances were ahead of budget primarily due to commencing the year with a higher cash balance due to the carried forward component of the capital works program, grant income received in advance and higher investment earnings.
14	Non-current assets classified as held for sale	At the time of preparing the budget, no assets were deemed available for sale. In setting the budget, Council's philosophy is not to rely on asset sales to fund its operations.
15	Other assets	Below budget due to a lower level of prepayments and accrued income.
16	Trade and other payables	Trade and other payables are above budget due to the LASF Defined Benefit Plan (Vision Super) funding shortfall. Employers received a call to replenish the fund and Council's share of the liability, including contributions tax was \$11.29m. Council was notified of this funding shortfall on 31 July 2012.
17	Trust funds and deposits	The increase in trust funds and deposits is due to the receipt of maintenance bonds for civil works above budget.
18	Interest-bearing loans and borrowings	Favourable as Council did not require planned borrowings of \$3.5m as a result of holding higher cash balances throughout the year.
19	Provisions	Overall provisions are unfavourable due to an increase in annual and long service leave values. Additionally, Council's landfill rehabilitation and aftercare provision was re-estimated last financial year due to new EPA Best Practice Environmental Management Guidelines. This estimate occurred after the budget was set, \$2.76m.
20	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 2012 Inflows/ (Outflows) \$'000	Actual 2012 Inflows/ (Outflows) \$'000	Variations \$'000	%	Ref
<b>Cash flows from operating activities</b>					
Rates and charges	107,952	107,185	(767)	(0.7)	
Grants - recurrent	28,762	34,318	5,556	19.3	21
Grants - non-recurrent	4,066	7,077	3,011	74.0	22
User fees	17,414	18,800	1,386	8.0	
Statutory fees and fines	6,572	7,853	1,281	19.5	23
Interest	2,889	4,056	1,167	40.4	24
Contributions	4,676	5,893	1,217	26.0	25
Net GST refund	-	8,265	8,265	100.0	26
Payments to employees	(76,457)	(73,739)	2,718	3.6	
Materials and services	(45,097)	(60,578)	(15,481)	(34.3)	27
Grants, contributions and donations	(3,504)	(4,249)	(745)	(21.2)	28
Other expenses	(3,144)	(3,176)	(32)	(1.0)	
<b>Net cash provided by operating activities</b>	<b>44,129</b>	<b>51,704</b>	<b>7,575</b>	<b>17.2</b>	
<b>Cash flows from investing activities</b>					
Payments for property, plant, equipment and infrastructure	(62,088)	(55,446)	6,642	10.7	29
Proceeds from sales of property, plant, equipment and infrastructure	859	1,681	822	95.6	30
<b>Net cash used in investing activities</b>	<b>(61,229)</b>	<b>(53,765)</b>	<b>7,464</b>	<b>12.2</b>	
<b>Cash flows from financing activities</b>					
Finance costs	(1,276)	(1,140)	136	10.6	31
Repayment of interest-bearing loans and borrowings	(3,773)	(3,656)	117	3.1	
Proceeds from interest-bearing loans and borrowings	3,500	-	(3,500)	(100.0)	32
<b>Net cash used in financing activities</b>	<b>(1,549)</b>	<b>(4,796)</b>	<b>(3,247)</b>	<b>(209.6)</b>	
<b>Net decrease in cash and cash equivalents</b>	<b>(18,649)</b>	<b>(6,856)</b>	<b>11,793</b>	<b>63.2</b>	
Cash and cash equivalents at the beginning of the financial year	40,144	59,451	19,307	48.1	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>21,495</b>	<b>52,595</b>	<b>31,100</b>	<b>144.7</b>	

The above Standard Cash Flow Statement should be read in conjunction with the accompanying General Purpose Financial Statements.

**Variance Explanation Report**

<b>Ref.</b>	<b>Item</b>	<b>Explanation</b>
21	Grants - recurrent	Several government grants were received during the year which were unbudgeted for including the Supporting Parents Developing Children, Healthy Hume, Preventative Health and Early Years Change Management grants. In addition, the Victorian Grants Commission paid 50% of the 2012/13 allocation in advance.
22	Grants - non-recurrent	The favourable variance primarily relates to an unbudgeted government grant for the Broadmeadows Leisure Centre redevelopment and a contribution for the upgrade of the Aitken Creek drainage scheme.
23	Statutory fees and fines	The favourable variance primarily relates to an increase in infringements due to increased enforcement (e.g. building and local laws) as well as increased application fees in planning and subdivisions due to greater sub-divisional activity in the City's northern growth corridor.
24	Interest	The favourable variance relates to higher investment earnings due to holding larger than expected cash balances throughout the year.
25	Contributions	Contributions are favourable due to the receipt of an outstanding amount in the current financial year which was raised in the previous financial year. Excluding this receipt, contributions are unfavourable due to some developer contributions for Residential Precinct Structure Plans in Greenvale and Craigieburn which will now be received as works in lieu of cash.
26	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.
27	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 26 above). Furthermore, there are permanent unfavourable variances for agency staff, the recognition of capital expenditure which did not meet the capitalisation threshold and additional expenditure as a result of unbudgeted grants received.
28	Grants, contributions and donations	The unfavourable variance primarily relates to the receipt of additional grants throughout the year (refer to note 21 above) which were paid to external organisations.
29	Payments for property, plant, equipment and infrastructure	In setting the capital works component of the 2011/12 annual budget it included a carried forward amount from the 2010/11 financial year which was expected to be completed in 2011/12. However, at the end of 2011/12, there remained some projects which were not yet started or complete and will be carried forward for completion in 2012/13. Refer to note 33 – total capital works.
30	Proceeds from sales of property, plant, equipment and infrastructure	Above budget due to the sale of two parcels of land. In setting the budget, Council's philosophy is not to rely on property sales to fund its operations.
31	Finance costs	Favourable because Council did not require planned borrowings of \$3.5m as a result of holding higher cash balances throughout the year.
32	Proceeds from interest-bearing loans and borrowings	Unfavourable because Council did not require planned borrowings of \$3.5m as a result of holding higher cash balances throughout the year.

	Budget 2012 \$'000	Actual 2012 \$'000	Variances		Ref
			\$'000	%	
<b>CAPITAL WORKS AREAS</b>					
Roads and traffic - preservation	5,563	5,322	241	4.3	
Roads and traffic - new works	3,951	7,592	(3,641)	(92.1)	
Footpath infrastructure	3,929	4,329	(400)	(10.2)	
Drainage infrastructure	1,140	2,384	(1,244)	(109.1)	
Major leisure facilities	8,725	2,063	6,662	76.4	
Parks and reserves	7,259	4,153	3,106	42.8	
Community facilities	2,498	4,769	(2,271)	(90.9)	
Waste management	1,070	948	122	11.4	
Town activity centres	460	263	197	42.9	
Civic/corporate	10,367	5,352	5,015	48.4	
Works carried forward from prior year	20,005	15,077	4,928	24.6	
<b>Total capital works</b>	<b>64,967</b>	<b>52,252</b>	<b>12,716</b>	<b>19.6</b>	33
<b>Represented by:</b>					
New assets	38,980	35,065	3,916	10.0	
Asset renewal	25,987	17,187	8,800	33.9	
	<b>64,967</b>	<b>52,252</b>	<b>12,716</b>	<b>19.6</b>	

The actual expenditure does not include an amount of \$1.2m which was deemed to be of repair / maintenance in nature and therefore did not meet Council's policy with respect to recording the expenditure as an asset.

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
33	Total capital works	<p>Lower than budget due to a higher than expected level of carried forward capital works projects and due to savings in certain projects.</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 redevelopment of the Broadmeadows Leisure Centre including a 50 metre pool (this project was delayed due to Council waiting for DPCD approval) and a two court basketball stadium extension at Boardman Stadium in Sunbury (where the commencement of this project was delayed as Council was awaiting the outcome of a funding application made to the State Government that was successful).</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

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### 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.



**Fadi Srour, B Bus (Acc), CA**  
Principal Accounting Officer

**Date: 10 September 2012**  
**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 10 September 2012, we were authorised by Hume City Council to certify the standard statements in their final form on behalf of Council.



**Burhan Yigit**  
Councillor

**Date: 10 September 2012**  
**Melbourne**



**Ros Spence**  
Mayor

**Date: 10 September 2012**  
**Melbourne**



**Domenic Isola**  
Chief Executive Officer

**Date: 10 September 2012**  
**Melbourne**

HUME CITY COUNCIL  
**FINANCIAL  
STATEMENTS**

Comprehensive Income Statement  
For the Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>Revenue</b>			
Rates and charges	2	108,214	99,976
Statutory fees and fines	3	7,853	7,330
User fees	4	18,479	17,549
Grants - recurrent	5 (a)	34,318	30,101
Grants - non-recurrent	5 (b)	7,077	12,521
Contributions - cash	6	4,321	2,277
Property rental	7	909	875
Interest income	8	3,215	3,176
<b>Total revenue</b>		<b>184,386</b>	<b>173,805</b>
<b>Expenses</b>			
Employee benefits	10	(87,458)	(73,662)
Materials and services	11	(49,497)	(47,992)
Grants, contributions and donations	12	(4,249)	(3,113)
Bad and doubtful debts	13	(833)	(664)
Depreciation and amortisation	14	(24,906)	(22,972)
Finance costs	15	(1,217)	(1,565)
Other expenses	16	(3,176)	(3,255)
<b>Total expenses</b>		<b>(171,336)</b>	<b>(153,223)</b>
<b>Net result prior to asset items</b>		<b>13,050</b>	<b>20,582</b>
Net gain / (loss) on disposal of property, plant, equipment and infrastructure	9	195	(189)
Contributions - non-monetary assets	6	41,010	32,605
Fair value adjustments for investment property	23	4,686	-
Fair value adjustments for non-current assets classified as held for sale	19	304	-
<b>Surplus for the year</b>		<b>59,245</b>	<b>52,998</b>
<b>Other comprehensive income</b>			
Net asset revaluation increment	28	82,276	-
<b>Comprehensive result</b>		<b>141,521</b>	<b>52,998</b>

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

Balance Sheet  
As at 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	52,595	59,451
Trade and other receivables	18	16,312	15,639
Non-current assets classified as held for sale	19	588	809
Other assets	20	846	722
<b>Total current assets</b>		<b>70,341</b>	<b>76,621</b>
<b>Non-current assets</b>			
Trade and other receivables	18	309	315
Financial assets	21	250	250
Property, plant, equipment and infrastructure	22	1,638,161	1,488,656
Investment property	23	42,970	39,436
<b>Total non-current assets</b>		<b>1,681,690</b>	<b>1,528,657</b>
<b>Total assets</b>		<b>1,752,031</b>	<b>1,605,278</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	29,431	21,772
Trust funds and deposits	25	631	522
Provisions	26	16,501	15,113
Interest-bearing loans and borrowings	27	1,186	3,659
<b>Total current liabilities</b>		<b>47,749</b>	<b>41,066</b>
<b>Non-current liabilities</b>			
Trust funds and deposits	25	2,147	3,072
Provisions	26	8,744	8,088
Interest-bearing loans and borrowings	27	14,185	15,368
<b>Total non-current liabilities</b>		<b>25,076</b>	<b>26,528</b>
<b>Total liabilities</b>		<b>72,825</b>	<b>67,594</b>
<b>Net assets</b>		<b>1,679,205</b>	<b>1,537,684</b>
<b>Equity</b>			
Accumulated surplus		921,967	859,908
Asset revaluation reserve	28(a)	736,195	653,919
Other reserves	28(b)	21,043	23,857
<b>Total equity</b>		<b>1,679,205</b>	<b>1,537,684</b>

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

Statement of Changes in Equity  
For the Year Ended 30 June 2012

	Note	Accumulated Total 2012 \$'000	Surplus 2012 \$'000	Asset Revaluation Reserve 2012 \$'000	Other Reserves 2012 \$'000
<b>2012</b>					
Balance at beginning of the financial year		1,537,684	859,908	653,919	23,857
Surplus for the year		59,245	59,245	-	-
Net asset revaluation increment	28(a)	82,276	-	82,276	-
Transfers to other reserves	28(b)	(7,347)	(4,533)	-	(2,814)
Transfers from other reserves	28(b)	7,347	7,347	-	-
<b>Balance at end of the financial year</b>		<b>1,679,205</b>	<b>921,967</b>	<b>736,195</b>	<b>21,043</b>

		Accumulated Total 2011 \$'000	Surplus 2011 \$'000	Asset Revaluation Reserve 2011 \$'000	Other Reserves 2011 \$'000
<b>2011</b>					
Balance at beginning of the financial year		1,484,686	811,174	653,919	19,593
Surplus for the year		52,998	52,998	-	-
Transfers to other reserves	28(b)	(14,849)	(19,113)	-	4,264
Transfers from other reserves	28(b)	14,849	14,849	-	-
<b>Balance at end of the financial year</b>		<b>1,537,684</b>	<b>859,908</b>	<b>653,919</b>	<b>23,857</b>

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

**Cash Flow Statement**  
**For the Year Ended 30 June 2012**

	<b>Note</b>	<b>2012 Inflows/ (Outflows) \$'000</b>	<b>2011 Inflows/ (Outflows) \$'000</b>
<b>Cash flows from operating activities</b>			
Rates and charges		107,185	99,218
Grants - recurrent		34,318	30,101
Grants - non-recurrent		7,077	14,114
User fees		18,800	17,437
Statutory fees and fines		7,853	7,330
Interest		4,056	4,147
Contributions		5,893	2,277
Net GST refund		8,265	6,437
Payments to employees		(73,739)	(71,391)
Materials and services		(55,705)	(40,793)
Grants, contributions and donations		(4,249)	(3,113)
Other expenses		(3,176)	(3,255)
Utility costs		(4,873)	(4,258)
<b>Net cash provided by operating activities</b>	29	<b>51,704</b>	<b>58,254</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant, equipment and infrastructure		(55,446)	(39,416)
Proceeds from sale of property, plant, equipment and infrastructure		1,681	1,673
<b>Net cash used in investing activities</b>		<b>(53,765)</b>	<b>(37,743)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(1,140)	(1,348)
Repayment of interest-bearing loans and borrowings		(3,656)	(3,436)
<b>Net cash used in financing activities</b>		<b>(4,796)</b>	<b>(4,785)</b>
Net increase / (decrease) in cash and cash equivalents		(6,856)	15,726
Cash and cash equivalents at the beginning of the financial year		59,451	43,725
<b>Cash and cash equivalents at the end of the financial year</b>		<b>52,595</b>	<b>59,451</b>
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.**

## 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 equitable;
- 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

Internal Auditor - Deloitte Touche Tohmatsu, on behalf of Hume City Council

Solicitors - Russell Kennedy, DLA Phillips Fox, Maddocks, Lander and Rogers Lawyers, Elliot Stafford and Associates Lawyers, Hoesys Lawyers, Hunt & Hunt, Davies Collinson Cave Solicitors, McNamaras Barristers & Solicitors, Justitia, Macpherson & Kelly Lawyers, Slater & Gordon Lawyers, Lovegrove Lawyers, Macquarie Lawyers & Strategists 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](http://www.hume.vic.gov.au)

This financial report is a general purpose financial report that consists 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 report complies 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.

## Note 1 Significant accounting policies

### (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(f), 1(h), 1(q), 1(t) and 1(u).

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) 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. Rate debts are due on the dates specified on the rate notice by instalments. Interest on overdue rate payments is applied at a rate of 10.5% (in accordance with the *Penalty Interest Rates Act 1983*).

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

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.

#### *General debtors*

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.

**Note 1 Significant accounting policies (cont.)**

**(b) Revenue recognition (cont.)**

*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.

*Interest and rents*

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

**(c) 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 the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

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

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

	<b>Period</b>
<b>Property</b>	
Land	
land improvements	1 - 10 years
landfill restoration assets	2 - 20 years
land under roads	Nil
Buildings	
buildings	50 years
<b>Plant and Equipment</b>	
Plant and machinery	1 - 10 years
Furniture and equipment	1 - 10 years
Computers and telecommunications	2 - 5 years
<b>Heritage Assets</b>	
Heritage and culture	Nil
<b>Infrastructure</b>	
Roads	
roads seal	25 years
road substructure	75 years
Bridges	
bridges deck	100 years
bridges substructure	100 years
Footpaths	75 years
Kerb and channel	75 years
Car parks	10 - 50 years
Drainage assets (pits and pipes)	100 years
Other infrastructure	10 - 30 years

**(d) Repairs and maintenance**

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

**(e) Borrowing costs**

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

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

**Note 1 Significant accounting policies (cont.)**

**(f) 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. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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 unless otherwise stated are consistent with the prior year:

	Threshold Limit \$'000
<b>Property</b>	
Land	
land	1
land improvements	10
land under roads	1
Buildings	
buildings	10
building improvements	10
leasehold building improvements	10
<b>Plant and Equipment</b>	
Plant and machinery	1
Furniture and equipment	1
Computers and telecommunications	1
<b>Heritage Assets</b>	
Heritage and culture	10
<b>Infrastructure</b>	
Roads	
road seal	10
road substructure	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 and land improvements, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. 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.

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.

Certain buildings such as child care centres, offices and houses have been revalued by comparisons to the active market. For example, a Child Care Centre has been valued by adopting a rental per child per annum, capitalising the appropriate market rate, then deducting an indicative land value. Other 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 and its estimated remaining economic life.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. 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 2012. 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.

**Note 1 Significant accounting policies (cont.)**

**(g) 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.

**(h) Financial assets**

Financial assets are measured at cost.

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting (the date on which the Council commits to purchase or sell the asset) is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

*Classification and subsequent measurement*

Financial instruments are classified and measured as set out below.

The Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

*Available-for-sale financial assets*

Other investments comprising equity securities are classified by the Council as being available-for-sale. These are carried at cost.

*Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

*Fair value*

Fair value is determined based on current prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. Where fair value cannot be reliably measured for these, they are valued at cost.

*Impairment*

At each reporting date, an assessment is made whether there is objective evidence that a financial instrument or group of financial instruments has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the comprehensive income statement.

**(i) Investments**

Investments are measured at cost.

**Note 1 Significant accounting policies (cont.)**

**(j) Employee benefits**

*Wages and salaries*

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

*Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Employees are entitled to pro-rata long service leave after 7 years of continuous service.

*Classification of employee benefits*

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

*Employee gratuity scheme*

A liability for the employee gratuity scheme is recognised, and is measured as the amount that may be paid in respect of services provided by employees. The amount is recognised as either a non-current liability or current liability (amounts expected to be paid within the next twelve months) in the balance sheet, and has been frozen since amalgamation in December 1994.

*Superannuation*

In accordance with statutory requirements, the Council makes employer superannuation contributions in respect of its employees to the Vision Super superannuation fund, being either the defined benefits fund or the accumulation fund (known as LASPLAN) depending on the employee's classification by Vision Super.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes for current and former employees. Details of these arrangements are recorded in note 31.

**(k) Leases**

*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.

*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.

**(l) 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.

**(m) 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.

**(n) 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.

**Note 1 Significant accounting policies (cont.)**

**(o) 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.

**(p) 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, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(q) Impairment of assets**

At each reporting date, 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.

**(r) 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.

**(s) Rounding**

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

**(t) 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.

**(u) Investment property**

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

**(v) 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.

**(w) Change in presentation of comprehensive income statement**

Council elected to report the comprehensive income statement in the underlying surplus format. This has resulted in a change in the presentation of the prior year numbers in the comprehensive income statement.

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Note 2</b>			
<b>Rates and charges</b>			
<p>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.</p> <p>The valuation base used to calculate general rates for 2011/12 was \$25.277 billion (2010/11 - \$24.708 billion). The 2011/12 rate in the CIV dollar was 0.3893 (2010/11 - 0.3666).</p>			
		71,407	65,540
Residential		6,147	5,607
Commercial		16,342	14,966
Industrial		5,759	5,794
Rural		8,559	8,069
Revenue in lieu of rates		<u>108,214</u>	<u>99,976</u>
<b>Total rates and charges</b>			

The increase in rates and charges is primarily due to a rate increase of 6.2% 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 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating period commencing 1 July 2010.

<b>Note 3</b>			
<b>Statutory fees and fines</b>			
Land information certificates		103	102
Building fines and infringements		2,090	2,160
Registrations / health		571	539
Subdivisions		1,409	1,107
Traffic / PERIN / animals		2,773	2,404
Town planning		906	1,019
<b>Total statutory fees and fines</b>		<u>7,853</u>	<u>7,330</u>

Building income has reduced due to lower infringement income. The increase in subdivision fees is due to continued strong growth in the City's north. The increase in Traffic / PERIN / animals is due to increased enforcement of local laws and town planning fees have reduced from 2011 where there was exceptionally high activity.

<b>Note 4</b>			
<b>User fees</b>			
Landfill / garbage		3,763	3,093
Sub-divisions		102	74
Recreational facilities		5,891	5,634
Community services		4,917	5,142
Building		594	630
Organic waste fees		1,685	1,446
General and supplementary valuation data		138	464
Other / miscellaneous		1,390	1,066
<b>Total user fees</b>		<u>18,479</u>	<u>17,549</u>

Landfill income has increased due to higher utilisation from commercial customers. Organic waste fees (green bin) increased due to a higher take up of the service. The sale of general valuation data occurs every two years.

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

Note	2012 \$'000	2011 \$'000
<b>Note 5 Grants</b>		
<b>(a) Recurrent</b>		
Victoria Grants Commission - unallocated	13,411	9,807
Victoria Grants Commission - local roads	2,227	1,729
Human Resources	84	53
Environment	45	59
Social Development	1,056	1,562
Learning Communities	1,042	1,084
Economic Development	112	168
Services	429	403
Aged Services & Public Health Management	5,299	4,813
School Crossings	218	196
Parks	90	94
Leisure Services	132	175
Health Services	168	181
Family & Childrens Services	8,711	9,027
Technical Services	20	-
Youth Services	248	284
Community & Health Policy & Public Planning	936	403
Local Law Services	30	-
Public Works and Services	30	31
Waste and Cleansing Services	30	31
<b>Total recurrent</b>	<b><u>34,318</u></b>	<b><u>30,101</u></b>
<b>(b) Non-recurrent</b>		
Asset Development	7,077	12,521
<b>Total non-recurrent</b>	<b><u>7,077</u></b>	<b><u>12,521</u></b>
<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	78	125
Social Development	933	1,157
Learning Communities	67	52
Strategic Planning	-	73
Economic Development	26	-
Central Activities District & Urban Design	44	44
Asset Development	6,993	14,143
Aged Services & Public Health Management	377	68
Parks	-	11
Leisure Services	28	59
Family & Childrens Services	333	504
Youth Services	19	163
Community & Health Policy & Public Planning	608	407
<b>Total</b>	<b>28(b) <u>9,506</u></b>	<b><u>16,806</u></b>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Note 5</b>	<b>Grants (cont.)</b>		
	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	125	43
	Learning Communities	52	-
	Social Development	1,157	262
	Leisure Services	59	57
	Aged Services & Public Health Management	68	196
	Economic Development	-	52
	Family & Childrens Services	504	716
	Youth Services	163	28
	Parks	11	22
	Asset Development	14,143	11,867
	City Communities	-	200
	Strategic Planning	73	73
	Central Activities District & Urban Design	44	95
	Community & Health Policy & Public Planning	407	125
	<b>Total</b>	<b><u>16,806</u></b>	<b><u>13,736</u></b>
	Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	<b><u>(7,300)</u></b>	<b><u>3,071</u></b>
<b>Note 6</b>	<b>Contributions</b>		
	<b>(a) Cash</b>		
	Contributions	4,027	2,041
	Sponsorships	74	49
	Fringe benefits tax	220	187
	<b>Total</b>	<b><u>4,321</u></b>	<b><u>2,277</u></b>
	The increase in cash contributions is predominantly due to a higher level of developer contributions as a result of continued growth in the City's north.		
	<b>(b) Non-monetary assets</b>		
	Land under roads	12,741	8,568
	Roads, footpaths and bridges	15,690	10,128
	Drainage works	7,347	5,283
	Land	5,112	8,409
	Car parks	120	217
	<b>Total</b>	<b><u>41,010</u></b>	<b><u>32,605</u></b>
	<b>Total contributions</b>	<b><u>45,331</u></b>	<b><u>34,882</u></b>
	Contributed assets are assets transferred to Council as a result of sub-divisional activities or from other entities.		
	The overall increase is primarily due to the receipt of infrastructure assets of land under roads and roads, footpaths and bridges predominantly from sub-divisions in Craigieburn and Greenvale where sub-divisional activity is strong.		
<b>Note 7</b>	<b>Property rental</b>		
	Investment property rental	644	617
	Other rent	265	258
	<b>Total property rental</b>	<b><u>909</u></b>	<b><u>875</u></b>

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Note 8 Interest income</b>			
Interest		2,638	2,580
Interest on rates		577	596
<b>Total Interest income</b>		<u>3,215</u>	<u>3,176</u>
<b>Note 9 Net gain / (loss) on disposal of property, plant, equipment and infrastructure</b>			
<i>Non-current assets classified as held for sale</i>			
Proceeds from sale		1,341	991
Less cost of assets sold		(1,113)	(929)
Gain on disposal		<u>228</u>	<u>62</u>
 <i>Plant and equipment</i>			
Proceeds from sale		339	682
Less cost of assets sold		(372)	(933)
Loss on disposal		<u>(33)</u>	<u>(251)</u>
<b>Total gain / (loss) on disposal of property, plant, equipment and infrastructure</b>		<u>195</u>	<u>(189)</u>
<b>Note 10 Employee benefits</b>			
Wages and salaries		62,589	58,168
Superannuation		5,571	5,244
LASF Defined Benefit Plan (Vision Super)	31	11,297	2,144
Annual leave and long service leave		5,085	4,618
Other employee related expenses		2,749	3,317
Fringe benefits tax		167	171
<b>Total employee benefits</b>		<u>87,458</u>	<u>73,662</u>

Following an actuarial review of the LASF Defined Benefit Plan (Vision Super) conducted by the Trustee on 31 December 2011, a funding shortfall of \$406 million (excluding contributions tax) was determined. Consequently employers received a call to replenish the fund. Council's share of the liability is \$11.29m (including contributions tax).

The reduction in other employee related expenses is due to a lower workcover premium as a result of improved claims management and lower recruitment costs.

**Note 11 Materials and services**

Materials		8,782	10,000
Fleet and lease expenses		2,634	2,386
Contractors and consultants		31,679	29,960
Insurance		1,529	1,388
Building and utility charges		4,873	4,258
<b>Total materials and services</b>		<u>49,497</u>	<u>47,992</u>

The reduction in materials is due to a large increase in the landfill provision liability in 2011 as a result of the new EPA Best Practice Environmental Management Guidelines.

The increase in contractors and consultants expenses is mainly due to agency staff (offset by lower employee benefits due to staff vacancies), gate fees associated with residential waste and hard waste collection costs and an increase in other professional services and legal fees primarily associated with planning matters.

Building and utility charges have increased mainly due to rate rises associated with electricity and other utilities.

**Note 12 Grants, contributions and donations**

Council contributions		4,249	3,113
<b>Total grants, contributions and donations</b>		<u>4,249</u>	<u>3,113</u>

The increase in Council contributions includes several grants (e.g. Healthy Hume and Preventative Health grants received from government organisations) which were paid to external bodies.

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Note 13</b>	<b>Bad and doubtful debts</b>		
	Building infringements	304	231
	Local laws infringements	333	341
	Other	196	92
	<b>Total bad and doubtful debts</b>	<b>833</b>	<b>664</b>
<b>Note 14</b>	<b>Depreciation and amortisation</b>		
	<b>Depreciation</b>		
	<b>Property</b>		
	Land improvements	2,089	1,982
	Buildings	2,648	2,519
	Landfill restoration assets	232	232
	<b>Plant and Equipment</b>		
	Plant and equipment	1,483	1,350
	Furniture and equipment	2,047	1,975
	<b>Infrastructure</b>		
	Roads, footpaths and bridges	13,422	12,026
	Drainage works	2,581	2,510
	Car parks	287	287
		<u>24,789</u>	<u>22,881</u>
	<b>Amortisation</b>		
	Plant and equipment	117	91
	<b>Total depreciation and amortisation</b>	<b>24,906</b>	<b>22,972</b>
<b>Note 15</b>	<b>Finance costs</b>		
	Interest - borrowings	1,102	1,311
	Interest - finance leases	38	38
	Interest - landfill	77	216
	<b>Total finance costs</b>	<b>1,217</b>	<b>1,565</b>
	The reduction in interest-landfill is due to a decrease in the inflation rate used to measure Council's liability for rehabilitation and aftercare costs. Interest-borrowings have also reduced due to a reduction in interest-bearing loans and borrowings.		
<b>Note 16</b>	<b>Other expenses</b>		
	Auditors' remuneration	36	226
	Councillors' allowances		316
	Operating lease rentals		2,228
	Bank charges		406
	<b>Total other expenses</b>		<b>3,176</b>
<b>Note 17</b>	<b>Cash and cash equivalents</b>		
	Cash at bank and on hand	10,198	7,554
	Money market call account	11,528	1,553
	Committees of management bank accounts	309	257
	Term deposits	30,560	50,087
	<b>Total cash and cash equivalents</b>	<b>52,595</b>	<b>59,451</b>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Note 18</b>	<b>Trade and other receivables</b>		
	<i>Current</i>		
	Rates debtors	9,317	8,215
	Other debtors	5,504	5,646
	Less: provision for doubtful debts - other debtors	(323)	(200)
	Net GST receivable	1,814	1,978
	<b>Total</b>	<b>16,312</b>	<b>15,639</b>
	<i>Non-current</i>		
	Special rate assessment	309	315
	<b>Total</b>	<b>309</b>	<b>315</b>
	<b>Total trade and other receivables</b>	<b>16,621</b>	<b>15,954</b>
	Under Section 181 of the <i>Local Government Act</i> 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.		
<b>Note 19</b>	<b>Non-current assets classified as held for sale</b>		
	Balance at beginning of the financial year	809	1,738
	Fair value adjustments	304	-
	Transfer from property, infrastructure, plant and equipment	588	-
	Disposals	(1,113)	(929)
	<b>Total non-current assets classified as held for sale</b>	<b>588</b>	<b>809</b>
<b>Note 20</b>	<b>Other assets</b>		
	Prepayments	346	335
	Accrued income	500	387
	<b>Total other assets</b>	<b>846</b>	<b>722</b>
<b>Note 21</b>	<b>Financial assets</b>		
	<i>Non-current</i>		
	Unlisted shares at cost - Regional Kitchen Pty Ltd	250	250
	<b>Total financial assets</b>	<b>250</b>	<b>250</b>

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.

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

		2012 \$'000	2011 \$'000
<b>Note 22</b>	<b>Property, plant, equipment and infrastructure</b>		
	<b>Summary</b>		
	At cost	158,361	168,385
	Less accumulated depreciation	<u>(33,150)</u>	<u>(30,337)</u>
		<b>125,211</b>	<b>138,048</b>
	 At fair value as at 30 June	 1,917,745	 1,698,294
	Less accumulated depreciation	<u>(404,795)</u>	<u>(347,686)</u>
		<b>1,512,950</b>	<b>1,350,608</b>
	<b>Total</b>	<b>1,638,161</b>	<b>1,488,656</b>
	<b>Property</b>		
	<b>Land</b>		
	At fair value as at 30 June	<u>733,468</u>	<u>690,523</u>
		<b>733,468</b>	<b>690,523</b>
	<b>Land improvements</b>		
	At cost	44,641	30,212
	Less accumulated depreciation	<u>(9,750)</u>	<u>(7,661)</u>
		<b>34,891</b>	<b>22,551</b>
	<b>Landfill restoration assets</b>		
	At cost	5,912	5,912
	Less accumulated depreciation	<u>(2,434)</u>	<u>(2,202)</u>
		<b>3,478</b>	<b>3,710</b>
	<b>Land under roads</b>		
	At fair value as at 30 June	<u>43,553</u>	<u>20,602</u>
		<b>43,553</b>	<b>20,602</b>
	 <b>Total Land</b>	 <b>815,390</b>	 <b>737,386</b>
	<b>Buildings</b>		
	At cost	21,869	1,959
	Less accumulated depreciation	<u>-</u>	<u>(441)</u>
		<b>21,869</b>	<b>1,518</b>
	 At fair value as at 30 June	 109,826	 108,007
	Less accumulated depreciation	<u>(1,425)</u>	<u>(3,277)</u>
		<b>108,401</b>	<b>104,730</b>
	<b>Total Buildings</b>	<b>130,270</b>	<b>106,248</b>
	<b>Total Property</b>	<b>945,660</b>	<b>843,634</b>

Valuations of land, land under roads and buildings for the 2012 year reflected fair values of assets as at 30 June 2012. Council annually reviews the carrying value of each asset class measured at fair value to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from fair value, the asset class is revalued.

Valuation of land (excluding land under roads) and buildings were undertaken by a qualified valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961 as at 1 January 2012. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on the highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued at a discount of 15 - 90% percent to market value based on legal precedents and valuation methodology.

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% percent 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.

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

		<b>2012</b>	<b>2011</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Note 22</b>	<b>Property, plant, equipment and infrastructure (cont.)</b>		
	<b><i>Plant and Equipment</i></b>		
	<b>Plant and equipment</b>		
	At cost	13,822	12,582
	Less accumulated depreciation	(5,647)	(4,738)
		<u>8,175</u>	<u>7,844</u>
	<b>Furniture and equipment</b>		
	At cost	23,767	20,411
	Less accumulated depreciation	(14,633)	(12,585)
		<u>9,134</u>	<u>7,826</u>
	<b>Leased plant and equipment</b>		
	At cost	1,044	1,044
	Less accumulated amortisation	(651)	(533)
		<u>393</u>	<u>511</u>
	<b>Heritage and culture</b>		
	At cost	324	297
		<u>324</u>	<u>297</u>
	<b>Total Plant and Equipment</b>	<u>18,026</u>	<u>16,478</u>
	<b><i>Infrastructure</i></b>		
	<b>Roads, footpaths and bridges</b>		
	At cost	7,617	51,871
	Less accumulated depreciation	-	(2,105)
	At fair value as at 30 June	758,803	617,007
	Less accumulated depreciation	(338,561)	(282,766)
		<u>427,859</u>	<u>384,007</u>
	<b>Drainage works</b>		
	At cost	1,990	1,783
	Less accumulated depreciation	(35)	(17)
	At fair value as at 30 June	260,822	253,474
	Less accumulated depreciation	(61,249)	(58,687)
		<u>201,528</u>	<u>196,553</u>
	<b>Car parks</b>		
	At cost	453	1,674
	Less accumulated depreciation	-	(55)
	At fair value as at 30 June	11,273	8,681
	Less accumulated depreciation	(3,560)	(2,956)
		<u>8,166</u>	<u>7,344</u>
	<b>Total Infrastructure</b>	<u>637,553</u>	<u>587,904</u>
	Valuations of infrastructure assets for the 2012 year reflected fair values of assets as at 30 June 2012 (2011 reflected 30 June 2008 values). Council annually reviews the carrying value of each asset class measured at fair value to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from fair value, the asset class is revalued.		
	Valuation of infrastructure assets have been determined by David Fricke, a Professional Engineer (Bachelor of Engineering, Civil) & MBA, on the basis of fair value.		
	The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
	<b><i>Works in progress</i></b>		
	Land improvements	5,182	13,396
	Buildings	11,774	21,076
	Roads, footpaths and bridges	18,033	6,165
	Heritage and culture	86	3
	Drainage Works	1,847	-
	<b>Total Works in progress</b>	<u>36,922</u>	<u>40,640</u>
	<b>Total Property, Plant, Equipment and Infrastructure</b>	<u>1,638,161</u>	<u>1,488,656</u>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

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

2012	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
<b>Property</b>								
Land	690,523	-	38,145	-	-	5,112	(312)	733,468
Land improvements	22,551	14,429	-	(2,089)	-	-	-	34,891
Landfill restoration assets	3,710	-	-	(232)	-	-	-	3,478
Land under roads	20,602	-	10,210	-	-	12,741	-	43,553
<b>Total land</b>	<b>737,386</b>	<b>14,429</b>	<b>48,355</b>	<b>(2,321)</b>	<b>-</b>	<b>17,853</b>	<b>(312)</b>	<b>815,390</b>
<b>Buildings</b>	<b>106,248</b>	<b>26,376</b>	<b>(136)</b>	<b>(2,648)</b>	<b>-</b>	<b>-</b>	<b>430</b>	<b>130,270</b>
<b>Total buildings</b>	<b>106,248</b>	<b>26,376</b>	<b>(136)</b>	<b>(2,648)</b>	<b>-</b>	<b>-</b>	<b>430</b>	<b>130,270</b>
<b>Total property</b>	<b>843,634</b>	<b>40,805</b>	<b>48,219</b>	<b>(4,969)</b>	<b>-</b>	<b>17,853</b>	<b>118</b>	<b>945,660</b>
<b>Plant and Equipment</b>								
Plant and equipment	7,844	2,172	-	(1,483)	(358)	-	-	8,175
Furniture and equipment	7,826	3,355	-	(2,047)	-	-	-	9,134
Leased plant and equipment	510	-	-	(117)	-	-	-	393
Heritage and culture	297	27	-	-	-	-	-	324
<b>Total plant and equipment</b>	<b>16,477</b>	<b>5,554</b>	<b>-</b>	<b>(3,647)</b>	<b>(358)</b>	<b>-</b>	<b>-</b>	<b>18,026</b>
<b>Infrastructure</b>								
Roads, footpaths and bridges	384,007	7,618	33,966	(13,422)	-	15,690	-	427,859
Drainage works	196,554	209	-	(2,582)	-	7,347	-	201,528
Car parks	7,344	453	536	(287)	-	120	-	8,166
<b>Total infrastructure</b>	<b>587,905</b>	<b>8,280</b>	<b>34,502</b>	<b>(16,291)</b>	<b>-</b>	<b>23,157</b>	<b>-</b>	<b>637,553</b>
<b>Works in progress</b>								
Land improvements	13,396	(7,968)	-	-	-	-	(246)	5,182
Buildings	21,076	(9,172)	-	-	-	-	(130)	11,774
Roads, footpaths and bridges	6,165	12,118	-	-	-	-	(250)	18,033
Furniture and equipment	-	561	-	-	-	-	(561)	-
Heritage and culture	3	83	-	-	-	-	-	86
Car parks	-	-	-	-	-	-	-	-
Drainage	-	1,952	-	-	-	-	(105)	1,847
Plant and equipment	-	39	-	-	-	-	(39)	-
<b>Total works in progress</b>	<b>40,640</b>	<b>(2,387)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,331)</b>	<b>36,922</b>
<b>Total property, plant, equipment and infrastructure</b>	<b>1,488,656</b>	<b>52,252</b>	<b>82,721</b>	<b>(24,906)</b>	<b>(358)</b>	<b>41,010</b>	<b>(1,213)</b>	<b>1,638,161</b>

Notes to the Financial Report  
For the Year Ended 30 June 2012

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

2011	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
<b>Property</b>								
Land	682,114	-	-	-	-	8,409	-	690,523
Land improvements	21,368	3,165	-	(1,982)	-	-	-	22,551
Landfill restoration assets	1,673	2,269	-	(232)	-	-	-	3,710
Land under roads	12,034	-	-	-	-	8,568	-	20,602
<b>Total land</b>	<b>717,189</b>	<b>5,434</b>	<b>-</b>	<b>(2,214)</b>	<b>-</b>	<b>16,977</b>	<b>-</b>	<b>737,386</b>
Buildings	107,331	1,434	-	(2,519)	-	-	-	106,246
<b>Total buildings</b>	<b>107,331</b>	<b>1,434</b>	<b>-</b>	<b>(2,519)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,246</b>
<b>Total property</b>	<b>824,520</b>	<b>6,868</b>	<b>-</b>	<b>(4,733)</b>	<b>-</b>	<b>16,977</b>	<b>-</b>	<b>843,632</b>
<b>Plant and Equipment</b>								
Plant and equipment	7,745	2,381	-	(1,350)	(933)	-	-	7,843
Furniture and equipment	7,084	2,717	-	(1,975)	-	-	-	7,826
Leased plant and equipment	427	174	-	(91)	-	-	-	510
Heritage and culture	247	50	-	-	-	-	-	297
<b>Total plant and equipment</b>	<b>15,503</b>	<b>5,322</b>	<b>-</b>	<b>(3,416)</b>	<b>(933)</b>	<b>-</b>	<b>-</b>	<b>16,476</b>
<b>Infrastructure</b>								
Roads, footpaths and bridges	373,178	12,727	-	(12,026)	-	10,128	-	384,007
Drainage works	193,152	631	-	(2,510)	-	5,283	-	196,556
Car parks	6,887	528	-	(287)	-	217	-	7,345
<b>Total infrastructure</b>	<b>573,217</b>	<b>13,886</b>	<b>-</b>	<b>(14,823)</b>	<b>-</b>	<b>15,628</b>	<b>-</b>	<b>587,908</b>
<b>Works in progress</b>								
Land improvements	9,948	3,744	-	-	-	-	(296)	13,396
Buildings	11,134	10,090	-	-	-	-	(148)	21,076
Roads, footpaths and bridges	4,291	1,994	-	-	-	-	(120)	6,165
Furniture and equipment	94	680	-	-	-	-	(774)	-
Heritage and culture	-	3	-	-	-	-	-	3
Car parks	-	-	-	-	-	-	-	-
Plant and equipment	-	24	-	-	-	-	(24)	-
<b>Total works in progress</b>	<b>25,467</b>	<b>16,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,362)</b>	<b>40,640</b>
<b>Total property, plant, equipment and infrastructure</b>	<b>1,438,707</b>	<b>42,611</b>	<b>-</b>	<b>(22,971)</b>	<b>(933)</b>	<b>32,605</b>	<b>(1,362)</b>	<b>1,488,656</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2012

	2012 \$'000	2011 \$'000
<b>Note 23 Investment property</b>		
<b>Land</b>		
Balance at beginning of the financial year	34,617	34,617
Transfers to property, plant, equipment and infrastructure	(276)	-
Fair value adjustments - recognised as income	4,359	-
Fair value decrements - offset against existing revaluation reserves	(382)	-
<b>Balance at end of the financial year</b>	<b>38,318</b>	<b>34,617</b>
<b>Buildings</b>		
Balance at beginning of the financial year	4,819	4,819
Transfers to property, plant, equipment and infrastructure	(431)	-
Fair value adjustments - recognised as income	327	-
Fair value decrements - offset against existing revaluation reserves	(63)	-
<b>Balance at end of the financial year</b>	<b>4,652</b>	<b>4,819</b>
 Total investment property at end of the financial year	 <b>42,970</b>	 <b>39,436</b>
 Valuation of investment property has been determined by a qualified valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961 as at 1 January 2012 who has recent experience in the location and category of the property being valued.		
Fair value adjustments include an amount of \$445k (\$382k in land and \$63k in buildings) relating to investment property decrements which were offset against existing revaluation reserves for those individual properties. (Refer to Note 28)		
<b>Note 24 Trade and other payables</b>		
Trade payables	16,637	20,667
Accrued other expenses	86	98
Accrued salaries and wages	1,411	1,007
LASF Defined Benefit Plan (Vision Super) fund	11,297	-
<b>Total trade and other payables</b>	<b>29,431</b>	<b>21,772</b>
 Following an actuarial review of the LASF Defined Benefit Plan (Vision Super) conducted by the Trustee on 31 December 2011, a funding shortfall of \$406 million (excluding contributions tax) was determined. Consequently employers received a call to replenish the fund. Council's share of the liability is \$11.29m (including contributions tax).		
Council intends on paying the unfunded liability prior to 1 July 2013 to take advantage of a reduced amount.		
<b>Note 25 Trust funds and deposits</b>		
<b>Current</b>		
Other refundable deposits	631	522
<b>Total</b>	<b>631</b>	<b>522</b>
<b>Non-current</b>		
Landfill account customer deposits	33	37
Contract payment retentions	703	726
Town hall deposits	160	83
MAB/Airport trust	70	74
Landscaping bonds	737	1,715
Subdivision bonds	368	301
Other refundable deposits	77	137
<b>Total</b>	<b>2,147</b>	<b>3,072</b>
<b>Total trust funds and deposits</b>	<b>2,778</b>	<b>3,594</b>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**Note 26 Provisions**

	<u>Employee benefits</u>				
	Annual leave \$ '000	Long service leave \$ '000	Other employee benefits \$ '000	Landfill rehabilitation and after care \$ '000	Total \$ '000
<b>2012</b>					
Balance at beginning of the financial year	5,364	10,503	297	7,037	23,201
Additional provisions	4,564	2,244	185	289	7,281
Amounts used	(4,117)	(968)	(190)	(241)	(5,516)
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	164	187	-	(73)	279
<b>Balance at end of the financial year</b>	<b>5,975</b>	<b>11,966</b>	<b>292</b>	<b>7,012</b>	<b>25,245</b>

**2011**

Balance at beginning of the financial year	4,985	9,508	280	3,505	18,278
Additional provisions	4,372	1,648	308	2,760	9,088
Amounts used	(3,978)	(640)	(291)	(574)	(5,483)
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(15)	(13)	-	1,346	1,318
<b>Balance at end of the financial year</b>	<b>5,364</b>	<b>10,503</b>	<b>297</b>	<b>7,037</b>	<b>23,201</b>

**(a) Employee benefits**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current (i)</b>		
Annual leave	5,975	5,364
Long service leave	10,012	8,985
Other	215	186
<b>Total</b>	<b>16,202</b>	<b>14,535</b>
<b>Non-current (ii)</b>		
Long service leave	1,954	1,518
Other	77	111
<b>Total</b>	<b>2,031</b>	<b>1,629</b>
Aggregate carrying amount of employee benefits:		
Current	16,202	14,535
Non-current	2,031	1,629
<b>Total</b>	<b>18,233</b>	<b>16,164</b>

The following assumptions were adopted in measuring employee benefits:

Weighted average increase in employee costs	3.50%	4.00%
Weighted average discount rates	2.78%	4.81%
Weighted average settlement period	12	12

**(i) Current**

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

Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value.

**(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.

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**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 transfer station. With respect to the Riddell Rd site, current projections indicate that the landfill will cease operating in 2025 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.

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Rehabilitation and aftercare costs	299	578
<b>Total</b>	<u><b>299</b></u>	<u><b>578</b></u>
<b>Non-current</b>		
Rehabilitation and aftercare costs	6,713	6,459
<b>Total</b>	<u><b>6,713</b></u>	<u><b>6,459</b></u>
<b>Total landfill provisions</b>	<u><b>7,012</b></u>	<u><b>7,037</b></u>
<b>(c) Total provisions</b>		
Current	16,501	15,113
Non-current	8,744	8,088
<b>Total</b>	<u><b>25,245</b></u>	<u><b>23,201</b></u>

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 27 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings	658	3,152
Borrowings - superannuation	411	386
	<u><b>1,069</b></u>	<u><b>3,538</b></u>
<b>Non-current</b>		
Borrowings	13,481	14,139
Borrowings - superannuation	437	847
	<u><b>13,917</b></u>	<u><b>14,986</b></u>
<b>Total</b>	<u><b>14,987</b></u>	<u><b>18,524</b></u>
The maturity profile for Council's borrowings is:		
Not later than one year	1,069	3,538
Later than one year and not later than five years	3,412	3,673
Later than five years	10,505	11,313
<b>Total</b>	<u><b>14,987</b></u>	<u><b>18,524</b></u>
Borrowings are secured by way of mortgages over the general rates of the Council. Borrowings exist primarily due to the construction of the new municipal office in Broadmeadows and have reduced in accordance with scheduled repayments which included the repayment of one of Council's loans.		
<b>Finance leases</b>		
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	145	156
Later than one year and not later than five years	298	443
Total minimum lease payments	<u>443</u>	<u>599</u>
Less: Future finance charges	<u>(58)</u>	<u>(96)</u>
Recognised in the balance sheet as:	<u><b>385</b></u>	<u><b>503</b></u>
<b>Current</b>		
Leases	117	121
<b>Non-current</b>		
Leases	268	382
Total	<u><b>385</b></u>	<u><b>503</b></u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	1,186	3,659
Non-current	14,185	15,368
<b>Total interest-bearing loans and borrowings</b>	<u><b>15,372</b></u>	<u><b>19,027</b></u>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**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
<b>2012</b>			
<b>Property</b>			
Land	470,329	38,145	508,474
Buildings	26,507	(136)	26,371
Land under roads	1,551	10,210	11,761
<b>Plant and equipment</b>			
Plant and equipment	285	-	285
	<u>498,672</u>	<u>48,219</u>	<u>546,891</u>
<b>Infrastructure</b>			
Car parks	2,438	536	2,974
Roads, footpaths and bridges	59,476	33,966	93,442
Drainage works	59,263	-	59,263
	<u>121,177</u>	<u>34,502</u>	<u>155,679</u>
<b>Investment property</b>			
Land	33,679	(382)	33,297
Buildings	391	(63)	328
	<u>34,070</u>	<u>(445)</u>	<u>33,625</u>
<b>Total asset revaluation reserves</b>	<u><b>653,919</b></u>	<u><b>82,276</b></u>	<u><b>736,195</b></u>

The asset revaluation reserve includes an amount of \$445K relating to investment property decrements which were offset against existing revaluation reserves for those individual assets (refer to note 23).

**2011**

<b>Property</b>			
Land	470,329	-	470,329
Buildings	26,507	-	26,507
Land under roads	1,551	-	1,551
<b>Plant and equipment</b>			
Plant and equipment	285	-	285
	<u>498,672</u>	<u>-</u>	<u>498,672</u>
<b>Infrastructure</b>			
Car parks	2,438	-	2,438
Roads, footpaths and bridges	59,476	-	59,476
Drainage works	59,263	-	59,263
	<u>121,177</u>	<u>-</u>	<u>121,177</u>
<b>Investment property</b>			
Land	33,679	-	33,679
Buildings	391	-	391
	<u>34,070</u>	<u>-</u>	<u>34,070</u>
<b>Total asset revaluation reserves</b>	<u><b>653,919</b></u>	<u><b>-</b></u>	<u><b>653,919</b></u>

The asset revaluation reserve represents increments generated on the revaluation of non-current assets.

	Balance at beginning of reporting period	Increment / (decrement)	Balance at end of reporting period
(b) <i>Other reserves</i>	\$'000	\$'000	\$'000
<b>2012</b>			
Recreation land	1,357	(47)	1,310
Development levies	4,622	3,139	7,761
Conditional grants	16,806	(7,300)	9,506
Reserve - landfills	500	-	500
Investment reserve	572	1,394	1,966
<b>Total other reserves</b>	<u><b>23,857</b></u>	<u><b>(2,814)</b></u>	<u><b>21,043</b></u>
<b>2011</b>			
Recreation land	1,690	(333)	1,357
Development levies	3,665	957	4,622
Conditional grants	13,738	3,068	16,806
Reserve - landfills	500	-	500
Investment reserve	-	572	572
<b>Total other reserves</b>	<u><b>19,593</b></u>	<u><b>4,264</b></u>	<u><b>23,857</b></u>

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 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 29 Reconciliation of cash flows from operating activities to surplus</b>		
Surplus for the year	59,245	52,998
Depreciation and amortisation	24,906	22,972
(Gain) / loss on disposal of property, plant, equipment and infrastructure	(195)	189
Contributions - non-monetary assets	(41,010)	(32,605)
Fair value adjustments for investment property	(4,686)	-
Fair value adjustments for non-current assets classified as held for sale	(304)	-
Finance costs	1,217	1,349
GST refund relating to investing activities	5,104	2,488
<i>Change in assets and liabilities:</i>		
Increase in rates debtors	(1,098)	(678)
(Increase) / decrease in other debtors	385	(883)
Increase / (decrease) in provision for doubtful debts	128	(104)
Increase in other assets	(112)	(223)
Increase in trade and other payables	6,894	6,532
Increase / (decrease) in trust funds and deposits	(815)	1,297
Increase in provisions	2,045	4,921
<b>Net cash provided by operating activities</b>	<b>51,704</b>	<b>58,254</b>

**Note 30 Financing arrangements**

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

**Note 31 Superannuation**

Council made contributions to the following funds:

**Fund**

**Defined benefit funds**

Employer contributions to LASF Defined Benefit Plan (Vision Super)	675	655
Employer contributions payable to LASF Defined Benefit Plan (Vision Super) at reporting date	11,297	2,144

**Accumulation funds**

Employer contributions to Vision Super	4,000	4,287
Employer contributions to other superannuation funds	897	302
	<b>16,868</b>	<b>7,388</b>

The LASF Defined Benefit Plan (Vision Super) latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which Hume City Council is a member. Council was made aware of the expected short fall through the year and was informed formally of their share of the short fall on 31 July 2012 which amounted to \$11.99 million (including contributions tax) if paid on 1 July 2013. Council has elected to pay this shortfall by lump on 5 September 2012 which reduces the liability to \$11.29 million (including contributions tax). Council has accounted for this short fall in the Comprehensive Income Statement in employee benefits (refer to note 10) and in the Balance Sheet in trade and other payables (refer to note 24).

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

		2012	2011
		\$'000	\$'000
<b>Note 32</b>	<b>Commitments</b>		
	The Council has entered into the following commitments:		
	<b>Operating</b>		
	Waste collection	17,418	20,476
	Parks and reserve development	27	841
	Local Laws traffic management	286	848
	Maintenance	96	188
	Cleaning public toilets, bbq's, shelters and public buildings	418	1,414
	Security services	263	560
	Hume libraries	257	-
	Banking and bill payment services	598	-
	Other	298	535
	<b>Total</b>	<b>19,661</b>	<b>24,861</b>
	<b>Capital</b>		
	Buildings	15,899	11,877
	Road construction and development	2,658	4,736
	Other	679	-
	<b>Total</b>	<b>19,236</b>	<b>16,613</b>
	<b>Total commitments</b>	<b>38,897</b>	<b>41,474</b>
	Not later than 1 year	10,040	23,771
	Later than 1 year and not later than 5 years	24,945	12,487
	Later than 5 years	3,912	5,216
		<b>38,897</b>	<b>41,474</b>

The decrease in commitments for individual operating contracts (e.g. waste collection, cleaning public toilets, bbq's, shelters and public buildings) relates to the expiration of time during which the contracts remain operative. The increase in the capital commitments for buildings primarily relates to commencement of new works and the continuation of works which commenced during 2011/12 but were not complete - e.g. the redevelopment of the Broadmeadows Leisure Centre.

**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	1,299	1,421
Later than one year and not later than five years	1,711	2,764
<b>Total operating lease commitments</b>	<b>3,010</b>	<b>4,185</b>

**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 2012, current public liability claims excess which are considered to have a financial exposure for Council was \$60,000 (2010/11, \$30,000). Liability is limited to \$10,000 per event.

**Contingent assets**

Developer contributions to be received in respect of estates currently under development total \$46 million (2010/11, \$60 million).

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**Note 35 Financial instruments**

**(a) Accounting Policy, terms and conditions**

<b>Recognised financial instruments</b>	Note	Accounting Policy	Terms and Conditions
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**Financial assets**

<b>Cash and cash equivalents</b>	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 4.55% (4.59% in 2010/11). The interest rate at balance date was 3.40% (4.65% in 2010/11).</p> <p>Funds returned fixed interest at a rate of 5.75% (5.80% in 2010/11) net of fees.</p>
<b>Financial assets</b>	21	<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>Unlisted shares measured at cost.</p>

**Trade and other receivables**

<b>Other debtors</b>	18	<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**

<b>Trade and other payables</b>	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>
<b>Interest-bearing loans and borrowings</b>	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 2010/11).</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 8.63% (8.63% in 2010/11).</p>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**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:

2012	Weighted average interest rate		Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
	Floating	Fixed		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
	%	%						
<b>Financial assets</b>								
Cash and cash equivalents	4.55	5.75	22,025	30,560	-	-	10	52,595
Trade and other receivables			-	-	-	-	5,181	5,181
Other financial assets			-	-	-	-	750	750
<b>Total financial assets</b>			<b>22,025</b>	<b>30,560</b>	<b>-</b>	<b>-</b>	<b>5,941</b>	<b>58,526</b>
<b>Financial liabilities</b>								
Trade and other payables			-	-	-	-	29,431	29,431
Trust funds and deposits			-	-	-	-	2,778	2,778
Finance leases		8.63	-	117	268	-	-	385
		6.35						
Interest-bearing loans and borrowings			-	1,069	3,412	10,505	-	14,987
<b>Total financial liabilities</b>			<b>-</b>	<b>1,186</b>	<b>3,680</b>	<b>10,505</b>	<b>32,209</b>	<b>47,581</b>
<b>Net financial assets / (liabilities)</b>			<b>22,025</b>	<b>29,374</b>	<b>(3,680)</b>	<b>(10,505)</b>	<b>(26,268)</b>	<b>10,945</b>

2011	Weighted average interest rate		Floating Interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
	Floating	Fixed		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
	%	%						
<b>Financial assets</b>								
Cash and cash equivalents	4.59	5.80	34,229	25,212	-	-	10	59,451
Trade and other receivables			-	-	-	-	5,446	5,446
Other financial assets			-	-	-	-	637	637
<b>Total financial assets</b>			<b>34,229</b>	<b>25,212</b>	<b>-</b>	<b>-</b>	<b>6,093</b>	<b>65,534</b>
<b>Financial liabilities</b>								
Trade and other payables			-	-	-	-	21,772	21,772
Trust funds and deposits			-	-	-	-	3,594	3,594
Finance leases		8.63	-	121	382	-	-	503
		6.35						
Interest-bearing loans and borrowings			-	3,538	3,673	11,313	-	18,524
<b>Total financial liabilities</b>			<b>-</b>	<b>3,659</b>	<b>4,055</b>	<b>11,313</b>	<b>25,366</b>	<b>44,393</b>
<b>Net financial assets / (liabilities)</b>			<b>34,229</b>	<b>21,553</b>	<b>(4,055)</b>	<b>(11,313)</b>	<b>(19,273)</b>	<b>21,141</b>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**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	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<i>(1) Financial assets</i>				
Cash and cash equivalents	52,595	59,451	52,595	59,451
Trade and other receivables	5,181	5,446	5,181	5,446
Other financial assets	750	637	750	637
<b>Total financial assets</b>	<b>58,526</b>	<b>65,534</b>	<b>58,526</b>	<b>65,534</b>
<i>(2) Financial liabilities</i>				
Trade and other payables	29,431	21,772	29,431	21,772
Trust funds and deposits	2,778	3,594	2,778	3,594
Finance leases	385	503	385	503
Interest-bearing loans and borrowings	14,987	18,524	14,987	18,524
<b>Total Financial liabilities</b>	<b>47,581</b>	<b>44,393</b>	<b>47,581</b>	<b>44,393</b>

**(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 Planning and Community Development 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 2012**

**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.

2012	6mths or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	>5 Years	Contracted Cash Flow	Carrying Amount
	\$`000	\$`000	\$`000	\$`000	\$`000	\$`000	\$`000
Trade and other payables	29,431	-	-	-	-	29,431	29,431
Trust funds and deposits	315	315	2,147	-	-	2,778	2,778
Interest-bearing loans and borrowings	1,057	1,089	2,105	6,256	12,502	23,009	15,372
<b>Total Financial Liabilities</b>	<b>30,803</b>	<b>1,404</b>	<b>4,252</b>	<b>6,256</b>	<b>12,502</b>	<b>55,218</b>	<b>47,581</b>

2011	6mths or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	>5 Years	Contracted Cash Flow	Carrying Amount
	\$`000	\$`000	\$`000	\$`000	\$`000	\$`000	\$`000
Trade and other payables	21,772	-	-	-	-	21,772	21,772
Trust funds and deposits	-	522	3,072	-	-	3,594	3,594
Interest-bearing loans and borrowings	2,389	2,406	2,146	6,845	14,017	27,804	19,027
<b>Total Financial Liabilities</b>	<b>24,161</b>	<b>2,928</b>	<b>5,218</b>	<b>6,845</b>	<b>14,017</b>	<b>53,170</b>	<b>44,393</b>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**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 -1% in market interest rates (AUD) from year-end rates of 3.5%.

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				
	Carrying amount subject to floating interest	-1% 100 basis points		1% 100 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2012</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	22,025	(220)	(220)	220	220

Market risk exposure	Interest rate risk				
	Carrying amount subject to floating interest	-2% 200 basis points		1% 100 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	34,229	(685)	(685)	342	342

**Note 36 Auditors' remuneration**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fee to conduct external audit - Victorian Auditor-General	64	64
Internal audit fees - Deloitte Touche Tohmatsu	148	89
Audit fees - acquittal audits - non Victorian Auditor-General	14	16
<b>Total auditors' remuneration</b>	<b>226</b>	<b>169</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**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:

<b>Councillors</b>	Councillor Ros Spence (Mayor 1/12/2011 to Current) Councillor Helen Patsikatheodorou (Mayor 1/7/2011 to 1/12/2011) Councillor Jack Ogilvie Councillor Ann Potter Councillor Drew Jessop Councillor Adem Atmaca Councillor Burhan Yigit Councillor Vic Dougall Councillor Geoff Porter
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**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:

	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
\$20,000 - \$29,999	7	7
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$280,000 - \$289,999	-	1
\$300,000 - \$309,999	1	-
	<u>10</u>	<u>10</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	620	592

**(iii)** No retirement benefits have been made by the Council to a Responsible Person (2010/11, Nil).

**(iv)** No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2010/11, 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 (2010/11, Nil).

**Notes to the Financial Report  
For the Year Ended 30 June 2012**

**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 \$127,000.

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

Income Range:	2012 No.	2011 No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	1	-
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	2
\$80,000 - \$89,999	-	1
\$100,000 - \$109,999	2	1
\$110,000 - \$119,999	1	1
\$120,000 - \$129,999	2	3
\$130,000 - \$139,999	-	5
\$140,000 - \$149,999	10	5
\$150,000 - \$159,999	3	2
\$160,000 - \$169,999	1	4
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	2	-
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	3	1
\$220,000 - \$229,999	1	1
\$380,000 - \$389,999	-	1
	<b>29</b>	<b>31</b>

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

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	4,172	4,338

**Note 38** 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		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
INCOME	15,794	11,635	112	168	-	-	1,042	1,084	567	462	15,602	15,521	380	459	418	353	359	357	45	59	34,317	30,100	
Grants	174,309	158,299	3,541	1,256	15	12	364	332	31	24	4,684	4,676	5,944	5,717	3,323	3,272	1,511	1,181	4,031	3,212	197,753	177,983	
Other																							
<b>TOTAL</b>	<b>190,103</b>	<b>169,934</b>	<b>3,653</b>	<b>1,424</b>	<b>15</b>	<b>12</b>	<b>1,406</b>	<b>1,416</b>	<b>598</b>	<b>486</b>	<b>20,286</b>	<b>20,197</b>	<b>6,324</b>	<b>6,176</b>	<b>3,741</b>	<b>3,625</b>	<b>1,868</b>	<b>1,540</b>	<b>4,076</b>	<b>3,271</b>	<b>232,070</b>	<b>208,083</b>	
<b>EXPENSES</b>	<b>(85,210)</b>	<b>(73,678)</b>	<b>(2,982)</b>	<b>(3,096)</b>	<b>(2,364)</b>	<b>(2,218)</b>	<b>(5,475)</b>	<b>(5,085)</b>	<b>(2,031)</b>	<b>(2,064)</b>	<b>(25,509)</b>	<b>(23,580)</b>	<b>(10,418)</b>	<b>(9,625)</b>	<b>(26,513)</b>	<b>(24,248)</b>	<b>(2,272)</b>	<b>(2,307)</b>	<b>(10,051)</b>	<b>(9,184)</b>	<b>(172,825)</b>	<b>(155,085)</b>	
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>104,893</b>	<b>96,256</b>	<b>671</b>	<b>(1,672)</b>	<b>(2,349)</b>	<b>(2,206)</b>	<b>(4,069)</b>	<b>(3,669)</b>	<b>(1,433)</b>	<b>(1,578)</b>	<b>(5,223)</b>	<b>(3,383)</b>	<b>(4,094)</b>	<b>(3,449)</b>	<b>(22,772)</b>	<b>(20,623)</b>	<b>(404)</b>	<b>(767)</b>	<b>(5,975)</b>	<b>(5,913)</b>	<b>59,245</b>	<b>52,998</b>	
<b>ASSETS ATTRIBUTED TO FUNCTION / ACTIVITY<sup>A</sup></b>	<b>863,825</b>	<b>762,638</b>	<b>30,230</b>	<b>32,047</b>	<b>23,965</b>	<b>22,958</b>	<b>55,503</b>	<b>52,635</b>	<b>20,589</b>	<b>21,364</b>	<b>258,600</b>	<b>244,076</b>	<b>105,614</b>	<b>99,628</b>	<b>268,778</b>	<b>250,990</b>	<b>23,033</b>	<b>23,880</b>	<b>101,893</b>	<b>95,063</b>	<b>1,752,031</b>	<b>1,605,278</b>	

<sup>A</sup>Councils 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 2012**

<b>Note 39 Financial ratios (Performance indicators)</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>\$'000</b>	<b>(%)</b>	<b>\$'000</b>	<b>(%)</b>	<b>\$'000</b>	<b>(%)</b>
<b>(a) Debt servicing ratio</b> (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	1,140		1,349		1,533	
Total income	230,581	= 0.49%	206,221	= 0.65%	176,112	= 0.87%
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>(b) Debt commitment ratio</b> (to identify Council's debt redemption strategy)						
<u>Debt servicing &amp; redemption costs</u>	4,796		4,785		4,641	
Rate and charges	108,214	= 4.43%	99,976	= 4.79%	90,624	= 5.12%
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.						
<b>(c) Revenue ratio</b> (to identify Council's dependence on non-rate income)						
<u>Rate and charges</u>	108,214		99,976		90,624	
Total income	230,581	= 46.93%	206,221	= 48.48%	176,112	= 51.46%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
<b>(d) Debt Exposure Ratio</b> (to identify Council's exposure to debt)						
<u>Total indebtedness</u>	72,825		67,594		54,320	
Total realisable assets	1,067,123	= 6.82%	992,761	= 6.81%	951,835	= 5.71%
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.						
<b>(e) Working Capital Ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	70,341		76,621		60,297	
Current liabilities	47,749	= 147.31%	41,066	= 186.58%	29,168	= 206.72%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
<b>(f) Adjusted working capital ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	70,341		76,621		60,297	
Current liabilities	38,739	= 181.58%	32,745	= 233.99%	21,583	= 279.38%
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 2012**

	Note	2012 \$'000	2011 \$'000
<b>Note 40 Capital expenditure</b>			
Roads and traffic - preservation		5,322	5,322
Roads and traffic - new works		10,101	6,030
Footpath infrastructure		4,329	3,366
Drainage infrastructure		2,384	330
Major leisure facilities		5,393	5,036
Parks and reserves		5,078	6,233
Community facilities		12,735	6,535
Landfill Infrastructure		948	924
Town activity centres		501	853
Civic / corporate		5,461	5,540
<b>Total capital works</b>		<b>52,252</b>	<b>40,170</b>
 Represented by:			
Renewal	(a)	35,065	26,702
Upgrade	(b)	5,708	6,189
New		11,479	7,279
<b>Total capital works</b>		<b>52,252</b>	<b>40,170</b>

**Property, plant, equipment and infrastructure movement**

Total acquisitions	22	52,252	40,170
Asset revaluation movement	22	82,721	-
Depreciation and amortisation	14	(24,906)	(22,971)
Written down value of assets sold / asset write offs	22	(358)	(933)
Contributions - non-monetary	6(b)	41,010	32,605
Finance lease		-	302
Net transfers	22	(1,213)	(1,362)
<b>Net movement in property, plant, equipment and infrastructure</b>	22	<b>149,505</b>	<b>47,811</b>

**(a) Renewal**

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

**(b) Upgrade**

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. 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.

**Notes to the Financial Report**  
**For the Year Ended 30 June 2012**

**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.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 9: Financial Instruments and AASB 20010-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul>	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	These standards are aimed at limiting certain recognition and measurement options to align with GFS, and supplemented by additional disclosures.	Applicable for annual reporting periods commencing on or after 1 July 2011.	These amendments are not expected to impact Council
Key Characteristics of the Public Sector with Potential Implications for Financial Reporting	These standards detail with numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
Amendments to Australian Accounting Standards - Financial Instruments: Disclosures, Recognition and Measurement [AASB 7, 139]	These standards detail the proposed changes to be made to the recognition, disclosure and measurement of impairment of financial instruments.	Applicable for annual reporting periods commencing on or after 1 July 2011 but before 1 July 2012.	These amendments are not expected to impact Council
AASB 2010-9: Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters [AASB 1]	These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2010-10: Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132]	These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instrument for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non derivative equity instruments.	Applicable for annual reporting periods commencing on or after 1 February 2011.	These amendments are not expected to impact Council

**Note 42** Events occurring after balance date

Council is not aware of any events which occurred between the balance date and the date when these financial statements were authorised for issue.

### 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.



**Fadi Srour, B Bus(Acc), CA**  
**Principal Accounting Officer**  
**Date: 10 September 2012**  
**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 2012 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 10 September 2012 to certify the financial statements in their final form.



**Burhan Yigit**  
**Councillor**  
**Date: 10 September 2012**  
**Melbourne**



**Ros Spence**  
**Mayor**  
**Date: 10 September 2012**  
**Melbourne**



**Domenic Isola**  
**Chief Executive Officer**  
**Date: 10 September 2012**  
**Melbourne**

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Hume City Council

#### The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2012 of the 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 standard statements have been audited.

The accompanying financial report for the year ended 30 June 2012 of Hume City Council which comprises comprehensive income statement, balance sheet, 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 Councillors' Responsibility for the Standard Statements and Financial Report

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

- 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 financial report in accordance with Australian Accounting Standards, and the financial reporting 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 standard statements and financial report 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 standard statements and financial report 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 whether the standard statements and financial report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standard statements and financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the standard statements and financial report, 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 standard statements and financial report 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 in the financial report
- the reasonableness of accounting estimates made by the Councillors
- the overall presentation of the standard statements and financial report.

## 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 standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and comply with the requirements of the *Local Government Act 1989*
- (b) the financial report presents fairly, in all material respects, the financial position of Hume City Council as at 30 June 2012 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*.

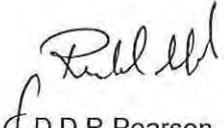
### *Basis of Accounting for Standard Statements*

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 Standard Statements and Financial Report*

This auditor's report relates to the standard statements and financial report of the Hume City Council for the year ended 30 June 2012 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. 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 standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE  
18 September 2012

  
D D R Pearson  
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 2011/12 Annual Budget includes a list of separately identified KSAs (referred to in the Budget as "Strategic Objectives") that Council will undertake in the 2011/12 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	Implement Council's Community Engagement Framework	To increase community satisfaction with "Council's level of consultation with the community on local issues"	Increase in satisfaction by a mean score of 0.3	Not Achieved	Community Engagement training has been rolled out across the organisation to assist staff in planning for and undertaking community engagement. This training emphasises the importance of early engagement with the community and ensuring that feedback loops are closed. In addition, existing communication channels are being reviewed to further promote community engagement opportunities.
		• Provide clear guidelines and tools for undertaking community engagement activities	Guidelines and tools developed	Achieved	Guidelines and tools for undertaking community engagement activities have been developed.
		• Undertake Ward Meetings across all Wards	4 ward meetings held	Achieved	Four ward meetings were held during the financial year.
Economy	Support economic development, sub divisional activity and employment growth	Influence and negotiate the approval of the Craigieburn Town Centre Development Plan	Achieve Development Plan Approval for the Town Centre	Achieved	After negotiations with the Department of Transport were finalised, the Development Plan was approved.
			Negotiate Department of Transport Approval of Development Plan	Achieved	
Transport	Develop a Parking Precinct Plan for the Sunbury Town Centre	<ul style="list-style-type: none"> <li>Identify appropriate parking rates and projections for car parking demand</li> <li>Identify options for additional parking within the Sunbury Town Centre</li> </ul>	Completed land use survey of Town Centre	Achieved	Land use survey completed.
			Reviewing current parking rates to project future requirements	Achieved	Current parking rates reviewed.
			Identifying development potential of Town Centre to clarify additional parking options	Achieved	Sites investigated and options identified.
Learning	Hume City Multiversity	<ul style="list-style-type: none"> <li>To establish a Multiversity in Hume City to improve the range of post-secondary education opportunities for local residents</li> <li>Seek commitment from universities and TAFE Colleges to participate in developing the Multiversity concept</li> <li>Establish a MOU between interested partner organisations to deliver a mix of higher education courses</li> <li>Seek funding to establish a part time multiversity coordination secretariat</li> </ul>	By December 2011 secure two universities as Multiversity partners	Not Achieved	The first University MOU was signed in 2011. The second University signed MOU was in early 2012 due to a change in the Vice Chancellor at this university which resulted in a delay in the signing of the MOU.  The two additional universities referred to in this performance target is actually the same two referred to immediately above.  This action is still ongoing and not yet due.
			By December 2012 secure two additional universities as Multiversity partners	Achieved	
			By December 2013 secure funding to establish Multiversity coordination functions	Not Achieved	
Social Inclusion	Supporting Parents Developing Children's Project	Implement the first years actions of the Project	Programs established: Six school/ community early years hubs in southern Hume	Achieved	Six school community hubs were established in southern Hume; Community development workers have been employed and 12 month implementation plans submitted for each hub.
			Three facilitated culturally and linguistically diverse playgroups Two new integrated mother and child English language learning programs		Five facilitated CALD playgroups have been established- two Arabic, one Bhutanese and two Assyrian-Chaldean.  Three Mother & Child English Language programs established - Broadmeadows Leisure Centre, Holy Child PS Early Years Hub and Campbellfield Heights PS Early Years hub.
Health Safety and Wellbeing	Implementation of Connecting Craigieburn and Sunbury Missing Links walking and cycling pathways	Construction of the Craigieburn/Sunbury link paths	Approximately 7km in length.	Not achieved	2011/12 works for these projects are achieved.
			Total costs \$1.02m (Craigieburn) and \$0.78m (Sunbury), totalling \$1.8m		<p>These are two separate projects:</p> <ul style="list-style-type: none"> <li>Connecting Craigieburn project (total budget \$1.02m over 3 years (2010/11; 2011/12 &amp; 2012/13); and</li> <li>Sunbury Missing Links project (total budget \$0.78m over 3 years (2010/11; 2011/12 &amp; 2012/13).</li> </ul> <p>The Connecting Craigieburn project involved the upgrade of paths around Craigieburn Gardens &amp; Hanson Road; new paths along Aitken Creek from (Axminster Dve to Albatross Cl, including associated protective fencing and bridge), Sydney Road (between Grand Boulevard to Malcolm Creek Path) and Hamilton Street (from Malcolm Ck to Craigieburn Rd); installation of a toilet along the Aitken Ck path, drinking fountain and signage.</p> <p>2010/11 &amp; 2011/12 works included the upgrade of paths around Craigieburn Gardens &amp; Hanson Road; new paths along Aitken Creek from (Axminster Dve to Albatross Cl, including associated protective fencing and bridge) and Sydney Road (between Grand Boulevard to Malcolm Creek Path) and installation of signage. These have all been completed.</p> <p>2012/13 works include the installation of a toilet along the Aitken Ck path and drinking fountain and completion of the path along Hamilton Street (from Malcolm Ck to Craigieburn Rd).</p>

## Performance Statement (cont.)

Strategic Objective	Strategic Activity	Performance Measure	Performance Target	Achieved / Not Achieved	Comment
Arts, Leisure and Recreation	Completion of two major recreation facility projects	Cost of two projects – Capital Works Budget 2011/12	Stage 1 Implementation of the John Ilhan Memorial Reserve Master Plan – totalling \$3.85m	Not achieved	2011/12 works for Stage 1 implementation are achieved.  Stage 1 Implementation is over 2 years (2011/12 & 2012/13), cost of works total \$6.35m.  Stage 1 works involve upgrade irrigation, drainage and surface of pitch no.1; power & sewer upgrades; design & installation of training lighting for synthetic pitch; design & construction of grassed athletics track, soccer infield, field event areas; design & construction of pavilion and grandstand to main pitch, and additional parking.  2011/12 works included the upgrade irrigation, drainage and surface of pitch no.1 (completed); commencement of design for power & sewer upgrades (commenced); design of training lighting for synthetic pitch (completed); design of grassed athletics track, soccer infield, field event areas (completed); commencement of design of pavilion and grandstand to main pitch (commenced).
			Boardman Stadium budget \$1.54m carry forward plus 2011/12, \$3.19m totalling \$4.73m	Not Achieved	Project put on hold pending outcome of State Government grant application. The grant application was successful and the contract for construction awarded and works commenced in November 2011 with completion expected in December 2012.
		2 court extension to Boardman Stadium, Sunbury  Stage 1 Implementation of the John Ilhan Memorial Reserve Master Plan	100 % complete for 2011/12	Not Achieved.  Not Achieved.	As above.  As above.
Appearance of the City	Implement the Waste Wise Education Strategy	<ul style="list-style-type: none"> <li>• Conduct kerbside recycling bin inspections to reduce contamination</li> <li>• Increase community participation in waste management programs and initiatives</li> <li>• Increase recovery of materials from schools via recycling and composting</li> </ul>	13,000 inspections per annum Increase participation in community programs by 10% 5 schools per year participating in Resource Smart AuSSi Vic Waste Module	Achieved	17,800 bins inspected in 2011/12.  Number of clean Up Australia Sites increased by 55%.  7 schools participated in Resource Smart AuSSi Vic Program.
Asset Management	Asset Management Plans	Update and adopt Asset Management Plans for the following two asset classes: <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Drainage</li> </ul>	June 2012	Not achieved	The development of the Asset Management Plan has been delayed by not being able to fill the vacant (2 years) position of the Senior Asset Management Engineer. The Asset Management Plan is now due to be completed by 31 December 2012.
Natural Environment	Commence the bulk changeover of 8,000 80 Watt Mercury Vapour street lights to new T5 technology	Quality – Award Contract for Changeover	February 2012	Not Achieved	Council is continuing to work with Jemena, the Electricity Distribution Company for the municipality regarding the procurement process that will satisfy the requirements of the Electricity Safety Act 1998 and the Local Government Act 1989. Council is expecting that this will be resolved in the second half of 2012 with a tender to commence early in 2013.
		Number of lights changed over in 2011/12	4,000	Not Achieved	

### 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 2011/12 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 2011/12 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.



**Burhan Yigit**  
Councillor

**Date: 10 September 2012**  
Melbourne



**Ros Spence**  
Mayor

**Date: 10 September 2012**  
Melbourne



**Domenic Isola**  
Chief Executive Officer

**Date: 10 September 2012**  
Melbourne

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Hume City Council

#### The Performance Statement

The accompanying performance statement for the year ended 30 June 2012 of the Hume City Council which comprises the statement, the related notes and the certification of the 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*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of 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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 2012 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 2012 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 performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
18 September 2012

  
D D R Pearson  
Auditor-General