



MARIBYRNONG CITY COUNCIL

Annual Report

2012/2013



Maribyrnong
CITY COUNCIL

ENGLISH

This is Maribyrnong City Council's 2012-13 Annual Report. The Annual Report contains a report of Council's operations for the past 12 months and audited Standard and Financial statements. If you would like to know more about the information in this Annual Report, please call the Telephone Interpreter Service on 131 450 and have them call Maribyrnong City Council on 9688 0200.

ARABIC

هذا هو التقرير السنوي لمجلس مدينة ماريبيرنونغ (Maribyrnong) 2012-13. يحتوي التقرير السنوي على تقرير عن عمليات المجلس خلال الأشهر الـ 12 الماضية والبيانات العادية والمالية التي تم تدقيقها. إذا كنت ترغب في معرفة المزيد عن المعلومات الواردة في هذا التقرير السنوي، يرجى الاتصال بخدمة الترجمة الهاتفية على الرقم 131 450 ودعمهم يتصلون بمجلس مدينة ماريبيرنونغ على الرقم التالي 9688 0200.

CHINESE

这是Maribyrnong市政府的2012-13年度报告，年度报告汇报了市政府在过去12月里的作业情况并包括经过审计的标准和财务报表。如果您想进一步了解该年度报告的信息内容，请拨打电话翻译服务处131 450并请他们转接Maribyrnong市政府的电话9688 0200。

GREEK

Αυτή είναι η Ετήσια Έκθεση 2012-13 του Δημοτικού Συμβουλίου του Maribyrnong. Η Ετήσια Έκθεση περιέχει τον απολογισμό των λειτουργιών του Δημοτικού Συμβουλίου για τους τελευταίους 12 μήνες και ελεγμένες απλές και οικονομικές καταστάσεις. Αν θέλετε να μάθετε περισσότερα για τις πληροφορίες που περιέχονται σε αυτήν την Ετήσια Έκθεση, σας παρακαλούμε να καλέσετε την τηλεφωνική υπηρεσία διερμηνέων στο 131 450 και ζητήστε να σας συνδέσουν με το Δήμο του Maribyrnong στο 9688 0200.

HINDI

यह मैरीबर्नग सिटी काउंसिल की 2012-13 की वार्षिक रिपोर्ट है। वार्षिक रिपोर्ट में काउंसिल के पिछले 12 महीनों के क्रिया-कलापों की रिपोर्ट और लेखा-परीक्षित मानक और वित्तीय विवरण (ऑडिटेड स्टैंडर्ड और फाइनेन्शियल स्टेटेमेंट्स) शामिल हैं। यदि आप इस वार्षिक रिपोर्ट में दी गई जानकारी के बारे में अधिक जानना चाहते / चाहती हैं तो कृपया 'टेलीफोन इंटरप्रेटर सर्विस' को 131 450 पर फोन करिये और उनसे मैरीबर्नग सिटी काउंसिल से 9688 0200 सम्पर्क करवाने के लिए कहिये।

ITALIAN

Questa è la Relazione annuale 2012-13 del Comune di Maribyrnong. La relazione annuale contiene un resoconto delle operazioni del Comune per i 12 mesi passati oltre a rendiconti contabili standard e finanziari revisionati. Se desideri saperne di più sulle informazioni contenute in questa Relazione annuale puoi chiamare il Servizio telefonico interpreti al numero 131 450 e chiedere che sia chiamato il Comune di Maribyrnong al numero 9688 0200.

MACEDONIAN

Ова е годишен извештај на Општината Марибирнонг за 2012-13 година. Годишниот извештај содржи извештај за работењето на Општината за изминатите 12 месеци и редовни проверки на извештаите за работа и за финансии. Ако сакате да знаете повеќе за информациите во овој годишен извештај, ве молиме јавете се на Телефонската преведувачка служба на 131 450 и побарајте тие да се јават на Општината Марибирнонг на 9688 0200.

SPANISH

Este es el Informe Anual para 2012-13 del Municipio de la Ciudad de Maribyrnong. El Informe Anual contiene información sobre las operaciones del Municipio en los últimos 12 meses y los Estados Financieros y Estándar auditados. Si usted desea saber más sobre la información presentada en este Informe Anual, por favor llame al Servicio de intérpretes telefónicos marcando el 131 450 y solicíteles que llamen al Municipio de la Ciudad de Maribyrnong al 9688 0200.

VIETNAMESE

Đây là Phúc trình Thường niên năm 2012-13 của Hội đồng Thành phố Maribyrnong. Phúc trình này bao gồm phần báo cáo hoạt động của Hội đồng Thành phố trong 12 tháng qua và các bản tường trình về Tiêu chuẩn và Tài chính đã được kiểm toán. Nếu muốn biết thêm thông tin trong Phúc trình Thường niên này, xin quý vị gọi điện thoại cho Dịch Vụ Thông Dịch Điện thoại số 131 450 và yêu cầu họ gọi Hội đồng Thành phố Maribyrnong số 9688 0200.



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01

About the annual report

The Annual Report 2012/2013 concludes the annual corporate planning and reporting cycle of Maribyrnong City Council. It outlines the Council's activities, achievements and financial position for the financial year and shows the services and improvements Council has delivered.

Each year, Council develops actions under its four year *Council Plan 2009-13* and prepares an annual Budget through a community focussed process. The annual report measures the progress of Council's objectives and explains any changes to its commitments.

Information about Council's performance is structured around the four year strategic directions outlined in Council Plan. Our overall performance is reported for each strategic direction.

This is the final year of reporting on the *Council Plan 2009-13*.



02

A message from the Mayor and CEO

The City of Maribyrnong continues to evolve as the city becomes an increasingly sought-after location for creative new industries while attracting many thousands of new residents each year.

An increasing number of residents and businesses are discovering the unique advantages of living in Maribyrnong.

At the time of writing, Footscray's skyline is dotted with cranes building the new retail and residential apartments for people attracted to Maribyrnong's lifestyle.

Naturally, while new residents are always welcome, a rapidly growing population poses challenges for Council services and infrastructure, requiring carefully thought-out strategies to ensure our city thrives in the years ahead.

This focus on the future is coming to fruition in Braybrook with work beginning on the new Braybrook Community Hub, including the first ever library for Braybrook, a new sports pavilion, community spaces, meeting rooms and an early years facility. The new hub is a great example of partnership between local and State government to deliver real and lasting improvements to the area.

This year saw the election of a new Council in October, farewelling some long-serving councillors and welcoming three new councillors to the team. The enthusiasm of all our councillors for improving the City of Maribyrnong continues to drive our organisation to deliver better outcomes for our residents and the inner West.



With the election of a new Council we began creating our new, four-year, Council Plan to help us achieve our priority goals throughout the 2013-17 term. Allied to the plan is the ongoing program of service reviews aimed at fostering continuous improvement across all areas of our business.

The 2012-2013 year also saw the planning stages of a new business transformation project aimed at a renewed focus of putting the customer first. This project will see investment into new information technology systems that will allow our staff to deliver great customer service to residents and customers.

Council continued to maintain prudent budgetary management to ensure a financially sound future for the city, including further reducing our debt to \$4.9 million. A stronger financial position gives Council greater funding certainty for future infrastructure and capital works requirements.

In the 2012-2013 year, Council funded over \$28 million worth of capital improvements for the city, including \$4.6 million for improvements to public roads, \$700,000 for upgrades to the library collection, \$1.15 million to upgrade sports pavilions and \$400,000 for street trees. Closing the asset renewal gap by repairing our ageing infrastructure remains a priority for Council.

The annual report 2012-2013 provides a comprehensive summary of the programs, achievements and financial position of the City of Maribyrnong.

Catherine Cumming
Mayor

Vince Haining
Chief Executive Officer



Overview

HIGHLIGHTS

87%

of calls resolved at
first point of contact

1,966

inspections of food
and health premises

553,045

visits to our libraries

1,762

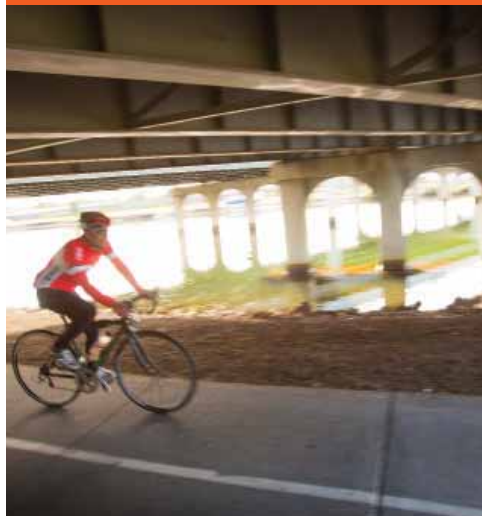
new trees planted

provided
\$423,787

in grants to 77
community groups

attracted more than
1 million

visits to Maribyrnong
Aquatic Centre





780

planning permit
applications processed



partnered with 13
festivals and events,
attracting around

150,000

visitors



committed

\$17.2 million

for two community
facilities



19%

increase in the use of
Home and Community
Care Services (HACC)



WON TWO PRESTIGIOUS AWARDS

LGPro Young Achievers
& Maribyrnong Aquatic
Centre – Life Saving of
Victoria (Swim and Survive
Licensee of the Year)



03

Achieving Council Plan commitments

In 2012/13 Council committed to deliver on 112 actions across the six key strategic activities. Overall, 91% of these actions have been delivered.

The table provides examples of the 112 actions Council committed to for 2012-2013.

Key commitment areas

Highlights of projects

BUILDING COMMUNITY SPIRIT, ENGAGEMENT & PLACES



- » Developed *Revitalising Braybrook Strategy*
- » Developed *Municipal Skate Park Strategy*
- » Completed design for Braybrook Community Hub and Burns Street Children's Hub in Maidstone
- » Developed *Library Services Plan*
- » Developed *Council Plan 2013-17*
- » Partnered with 13 festivals and events

PROSPERITY



- » Delivered *Incredible, Edible, Moveable Maribyrnong* project
- » Approved installation of the first commissioned public art piece in Footscray
- » Implemented *Footscray Integrated Marketing Strategy*
- » Developed a new youth leadership model

MOVING AROUND THE CITY



- » Developed options for Irving and Paisley Streets bus interchange, Footscray
- » Improved and extended selected bike lanes
- » Developed actions with the Truck Curfew Review Committee for implementation and ongoing lobbying to the Victorian Government
- » Reviewed the residential and business permit parking system
- » Implemented the *Road Improvement Program* and traffic management works



Key commitment areas

Highlights of projects



AMENITY

- » Delivered 100% of the 2012-13 *Parks Improvement Program*
- » Monitored and evaluated the Footscray public safety CCTV system
- » Installed decorative lighting in Barkly Village, West Footscray
- » Delivered just over \$19 million of the capital and improvements program



ENVIRONMENTAL SUSTAINABILITY

- » Conducted environmental educational sessions and Sustainable Living Expo
- » Installed solar panels at two of Council's early years centres
- » Completed planter boxes pilot program
- » Installed backwash system at Maribyrnong Aquatic Centre to save water and energy
- » Launched the Maribyrnong edible garden and expanded the Braybrook community garden
- » Installed solar powered lights at Clare Court Children's Centre car park



ORGANISATIONAL PERFORMANCE

- » 12 teams completed Best Value service reviews
- » Developed *Human Rights and Social Charter Framework*
- » Developed *Council Policy Framework*
- » Completed draft risk management framework

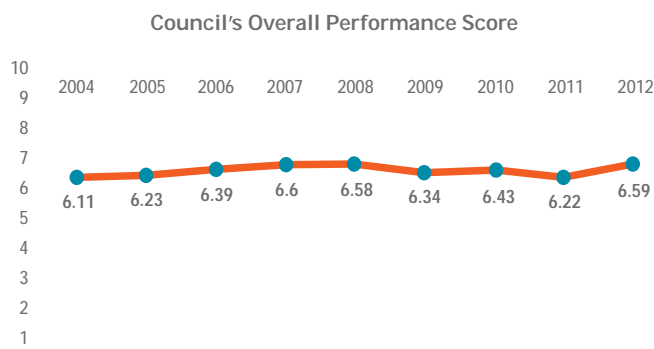


04

Community Satisfaction

Council conducts a comprehensive Annual Community Survey via an independent research company.

The 2012 survey results showed that community satisfaction on Council's overall performance has increased for the first time since 2007, as shown in the graph below.



Community satisfaction level has also increased across the majority of indicators over the last four years. Of particular importance is a significant increase in satisfaction level for the following areas:

Council's decision making / seeking community opinion

Promoting local economic development

Library services

Traffic related indicators

Green waste collection

Litter collection in public areas

Results for these and other strategic indicators are presented in Section 9 Report of Operations.



05

Financial Highlights

Long term financial sustainability is the key objective of Maribyrnong Council's long term financial strategy. With good planning, the community can be assured that Council has the financial resources to achieve the objectives set out in the Council Plan.

The Financial Strategy's objectives and goals record the fundamental approach of Council to good financial management. To enable the Council to measure achievement of the Goals, a number of Financial Strategy Targets have been developed.

The financial modelling that occurs during the development of current and future budgets provides outputs in a form that are readily comparable to the Targets.

The Financial Strategy Targets are:

Balanced Budget

- » Positive Underlying Result Ratio;
- » Self-financing Ratio greater than 20%;
- » Indebtedness Ratio less than 40%; and
- » No deficit budgets unless liquidity targets are achieved

Liquidity

- » Working Capital Ratio greater than 140%; and
- » Adjusted Working Capital Ratio greater than 175%

Sustainability

- » Investment Gap Ratio greater than 150%;
- » Infrastructure Renewal Ratio greater than 100%;
- » Sustainability Assessment by the Victorian Auditor-General as low risk; and
- » A minimum 30% of Rates revenue applied to Capital.







The results achieved in the 2012/13 Annual Report provide a sound base to ensure the long term financial strategies goals and objectives are achievable.

- » Council has achieved a surplus during the 2012/13 financial year of \$8.075m.
- » Council has expended in excess of \$19m on its capital and improvement program.
- » Cash holdings continue to grow to a level which ensures all reserves and provisions are fully cashed back.
- » Borrowings – Council's debt has reduced to \$4.9m at the end of the 2012/13 financial year.
- » Working capital ratios are a measure of Council's liquidity position. The current ratio of 2.9:1 is seen as a positive result to assist the goals and objectives of the long term financial strategy.







05 Financial Highlights

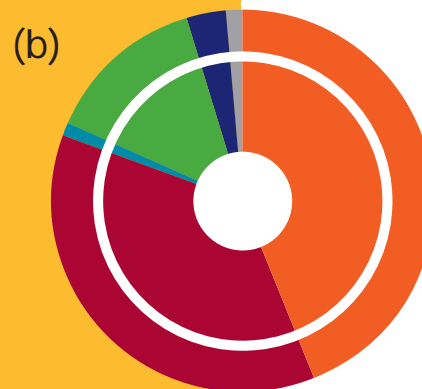
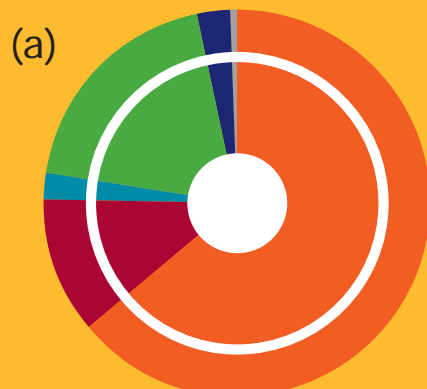
Council Income (a)

Council's Income Sources 2012-2013

| Income | \$000 | % Total Revenue |
|---|---------|-----------------|
|  Rates | 70,764 | 64.06 |
|  Grants | 12,673 | 11.47 |
|  Interest | 2,387 | 2.16 |
|  User Charges & Statutory Fees | 21,187 | 19.18 |
|  Contribution & Reimbursements | 3,068 | 2.78 |
|  Other Income | 387 | 0.35 |
| Total Income | 110,466 | 100 |

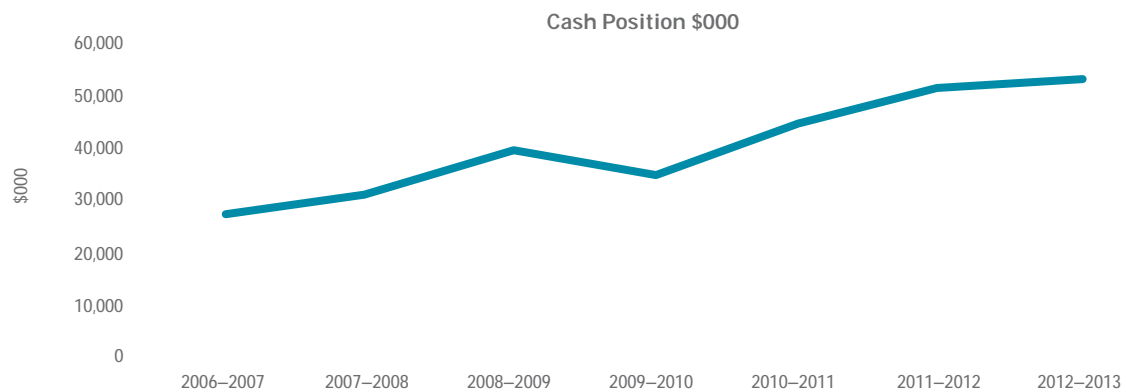
Council Expenditure (b)

| Expenditure Sources 2012-2013 | \$000 | % Total Expenditure |
|---|---------|---------------------|
|  Employee Benefits | 45,195 | 44.14 |
|  Materials & Services | 37,411 | 36.54 |
|  Bad & Doubtful Debts | 1,223 | 1.19 |
|  Depreciation | 13,922 | 13.60 |
|  Net Loss on disposal of property, plant, equipment and infrastructure | 3,387 | 3.31 |
|  Other Expenses | 1,253 | 1.22 |
| Total | 102,391 | 100 |



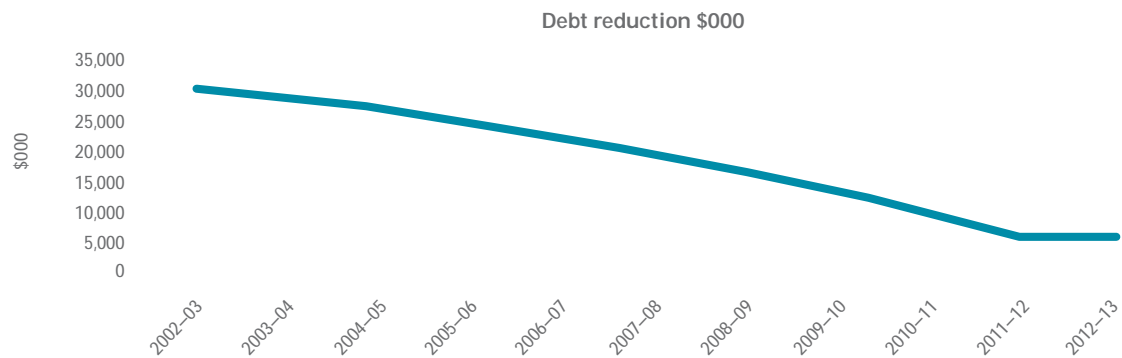
Cash Position

Council continues to improve its cash position with all reserves and provisions being fully funded allowing Council to plan for major projects in the future.



Council Debt

Council's continued adherence to its long term financial plan has seen debt reduced to \$4.9million as of 30th June 2013.



Council Investments

Council restricts this investment to authorised deposit institutions as listed by Australian Prudential Regulations Authority (APRA).

Currently Council's investments are held in accordance with its investment strategy in the following institutions:

- » Commonwealth Bank of Australia
- » Australia & New Zealand Banking Group Ltd.
- » National Australia Bank Ltd.
- » Westpac Banking Corporation
- » Bendigo & Adelaide Bank

06

What we delivered to the community

Council provides more than 80 services to the community. Below is a snapshot of some of the different types of services we have provided to the community or the community have accessed over the 2012-13 financial period.

| | 2011-12 | 2012-13 |
|--|-----------|-----------|
| Our customer service | | |
| Percentage of calls resolved at first point of contact | 80% | 87% |
| Customer requests | 29,304 | 33,302 |
| Counter enquiries | 84,603 | 93,137 |
| Phone enquiries | 75,119 | 131,050 |
| Emails responded to (via Council email) | 36,529 | 37,643 |
| Universal services | | |
| Number of trees maintained in reserves, parks, playgrounds | 43,600 | 44,000 |
| Kilometres of drains maintained | 356km | 357km |
| Number of inspections of registered food and health premises | 2,485 | 1,966 |
| Number of planning applications processed | 781 | 780 |
| Number of registered dogs and cats | 9,643 | 9,351 |
| Communicating and supporting local communities | | |
| Number of media releases issued | 135 | 160 |
| Number of publications translated into community languages | 144 | 310 |
| Number of web page views | 1,990,976 | 1,881,384 |
| Community grants - total funds available | \$134,000 | \$134,986 |
| Number of visits to Maribyrnong Aquatic Centre | 1,037,853 | 1,033,435 |
| Festival grants | \$271,737 | \$288,787 |





| | 2011-12 | 2012-13 |
|--|---------|---------|
| Servicing our families, children, youth, older persons | | |
| Council's ranking for immunisation rates (% of children aged 12 to 15 months fully immunised) | 94.23 | 92.68% |
| Number of frail aged and older adults and people with disabilities that have used home and community support services | 2,540 | 3,028 |
| Number of hours of care provided to frail and older adults and people with disabilities | 134,882 | 128,641 |
| Number of visits to libraries | 543,842 | 553,045 |
| Number of visits to community centres | 252,869 | 343,194 |
| Number of loans from libraries ¹ | 844,377 | 787,143 |
| Number of people who attended programs at libraries | 14,508 | 19,681 |
| Practising environmental sustainability | | |
| Total greenhouse emissions in tonnes CO ₂ e | 11,778 | 12,911 |
| Minus use of Greenpower | 4,333 | 4,333 |
| Total net greenhouse emissions in tonnes CO ₂ | 7,445 | 8,578 |
| Water consumption in megalitres | 178 | 195 |
| Number of households subscribing to green waste bins | 5,430 | 5,865 |
| Tons of waste to landfill | 34,334 | 20,754 |
| Recycling in tonnes | 8,154 | 7,269 |
| Green waste processed (includes 'At Call Hard and Green Waste' and 'User Pays Green Waste') | 2,066 | 1,815 |

¹ The reduction in loans may reflect an emerging trend in patterns of library use with an increasing demand for activities and programs around learning and literacy.

07

Our community – city profile

The City of Maribyrnong is a place of diversity and opportunity. Located only five kilometres west of Melbourne, its 31sq km area is made up of suburbs which vary in demographics, population and geography. From the area's beginnings as the home and land of the Kulin Nations, the city now incorporates nine suburbs: Footscray, West Footscray, Yarraville, Seddon, Kingsville, Maribyrnong, Maidstone, Braybrook and Tottenham.

Maribyrnong is known for its strong industry base, and although many of the former industrial sites have been rezoned to residential, the city still offers a large employment base. Maribyrnong continues to attract new residents into the city as a result of residential developments.

New residents are attracted by the city's proximity to Melbourne, its unique urban character and period homes, good public transport, and its natural and physical assets including the Maribyrnong River and heritage gardens.

Growth

The City's population is expected to be 78,981 in 2013. The city's change to a largely residential, higher density location continues to create significant growth and change. By 2031, the population is expected to increase to around 111,189 people. More than 15,000 new residences will be added with growth across all suburbs. Footscray, in particular, will see significant development of higher density living.

Population Growth in the Western Region





Community

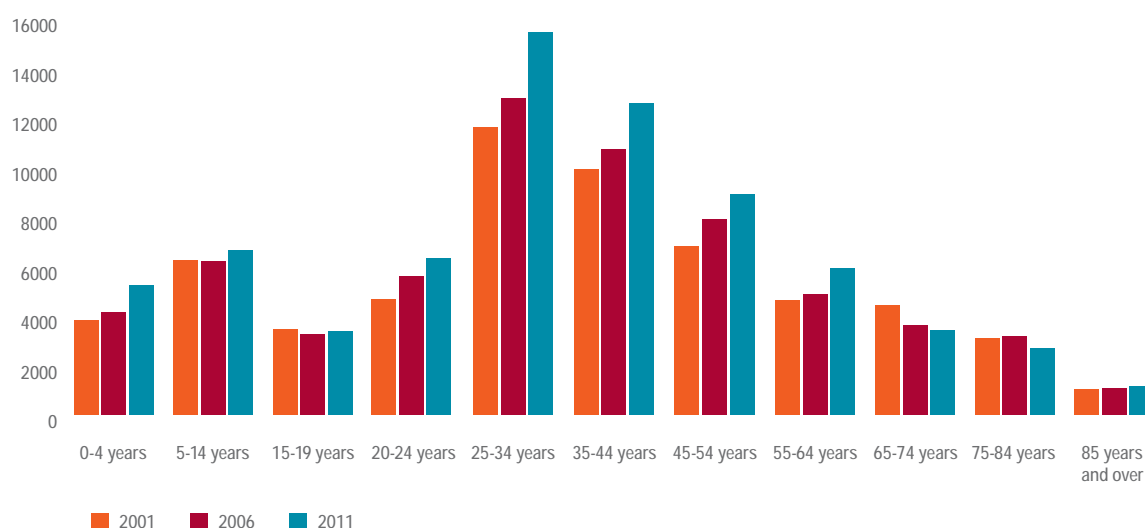
New Maribyrnong residents are more likely to be younger, wealthier, better educated and earning higher incomes than many of the city's traditional residents. The average age of a Maribyrnong resident is 34 years and almost one-third of people living in the city attend an education institution.

Maribyrnong is no longer considered metropolitan Melbourne's most disadvantaged area by the SEIFA² index of social and economic

disadvantage, falling to fourth rank in 2011. However parts of the city however are still characterised by poverty, unemployment, low education levels and incomes, public housing and low levels of health

The city also continues to attract new cultural groups who bring with them diversity and new dynamics. More than 83 languages from 135 counties are now spoken in Maribyrnong.

City of Maribyrnong Population by Age



² SEIFA – Socio Economic Index for Advantage (Australian Bureau of Statistics measure of disadvantage)

Economy

The City of Maribyrnong is home to many facilities and functions of regional significance. This includes the rapidly developing Footscray Business Centre, Australia's second largest shopping complex at Highpoint, Victoria University, Whitten Oval and Western Hospital. These create employment and other economy activity. Victoria University alone employs more than one thousand staff and provides its education services to 15,000 students.

Maribyrnong has more than 30,000 registered businesses and almost one fifth of the city's employed population works within its boundaries. The Port of Melbourne, the City of Melbourne and the broader Western Region are easily accessed from Maribyrnong and transport infrastructure is set to improve further with the development of the Regional Rail Link. The Victorian and Australian government funded project will provide a new station at West Footscray and an upgrade of Footscray to become a major railway station interchange.

08

Good Governance

Council is committed to meeting high standards of democratic and corporate governance and makes decisions in an open and engaging manner.

Councillors and Wards

An electoral representation review was conducted in partnership with the Victorian Electoral Commission to recommend an electoral structure that would fairly and equitably represent voters. The new electoral structure for Maribyrnong was formally gazetted on 31 May 2012 and the 27 October 2012 election was based on the new ward structure consisting of seven councillors.

The new structure has three wards. River and Stony Creek wards have two councillors each and Yarraville ward has three councillors.

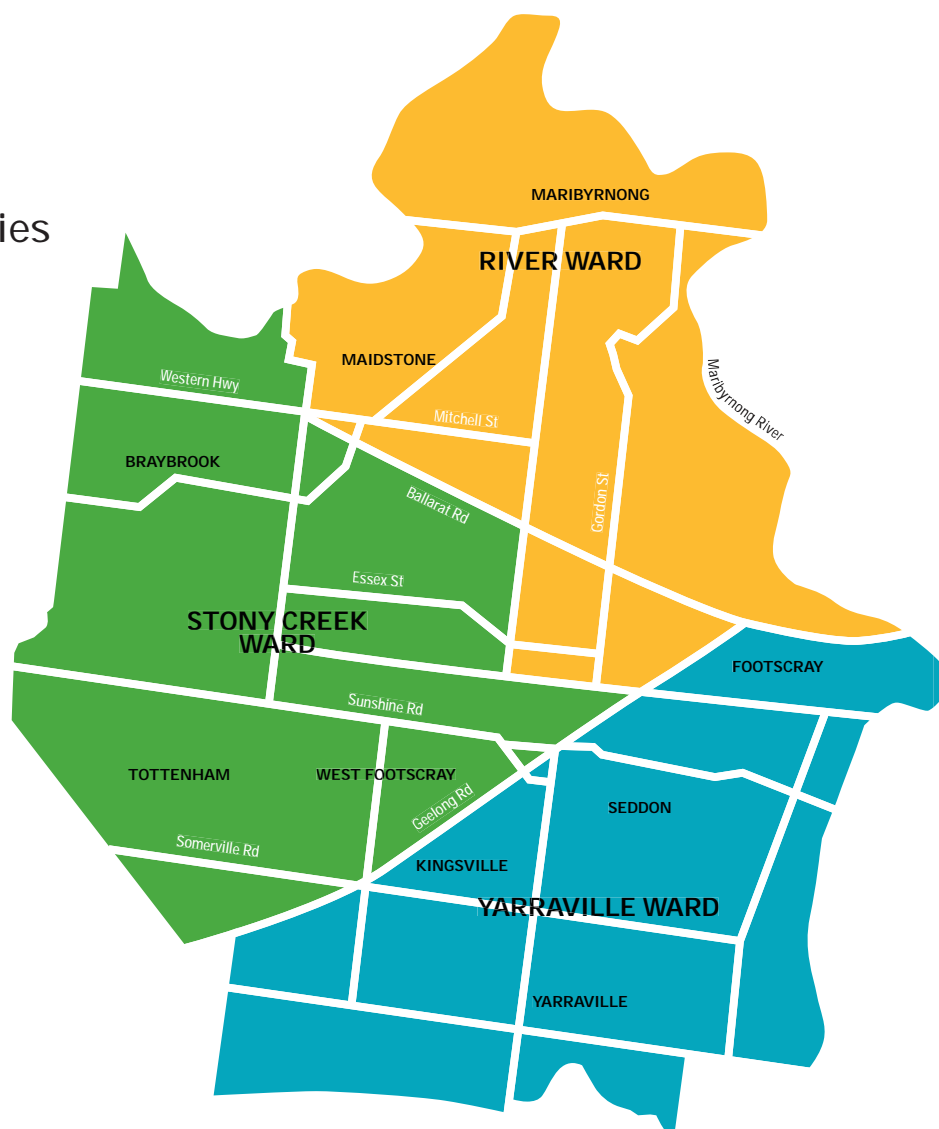
The Council election of 27 October 2012 resulted in the return of four existing councillors and three new councillors.

| Elected councillors up to 26 October 2012 | Elected councillors from 28 October 2012 |
|--|---|
| Cr Sarah Carter | Cr Sarah Carter |
| Cr Michael Clarke | Cr Michael Clarke |
| Cr Catherine Cumming | Cr Catherine Cumming |
| Cr John Cumming | Cr Cameron McDonald (new) |
| Cr Dina Lynch | Cr Grant Miles (new) |
| Cr San Sanli | Cr Nam Quach (new) |
| Cr Martin Zakharov | Cr Martin Zakharov |



Councillors elected on 27 October in 2012 - left to right: Grant Miles, Sarah Carter, Martin Zakharov, Cameron McDonald, Nam Quach, Catherine Cumming, Michael Clarke.

New ward boundaries



Councillor Code of Conduct

In accordance with the Local Government Act 1989, Council reviewed and adopted the Councillor *Code of Conduct* in March 2013 (within 12 months of the municipal election).

The community expects the business of Council to be conducted with efficiency, transparency and impartiality. The Councillor Code of Conduct articulates the framework through which Councillors' expected standards of conduct and behaviour accountability, and responsibilities, are displayed to ensure public confidence in Council is maintained.

Strong performance in customer service

Council's *Customer Service Charter* contains a set of standards and principles to guide high quality services to our customers. It states Council's commitment to simplifying processes, finding solutions and continuous improvement. In line with this commitment, on average, 87 per cent of calls were resolved at first point of contact.

Improvement to Council's phone system means we can now report on the volume of incoming calls to the Council's general phone number, including those answered and abandoned, and identify peak call times.

The introduction of lapp (mobile applications) means customers can now:

- » submit a request for service using an iphone, ipad or blackberry mobile phone
- » take photos and attach these to requests for service
- » track the progress of their request.

08 Good Governance

Human rights framework

Council developed its *Human Rights and Social Justice Framework* in 2012-2013.

The framework forms the foundation of Council's commitment to support human rights and promote social justice. It supports 20 human rights which are outlined in Victorian and Australian Government legislation, as well as our intention to strengthen right covered by other Council services.

The human rights framework underpins Council's commitment to ensuring a fair and inclusive community where Council services are accessible to all. The framework envisages a community in which people are not discriminated against on the basis of age, gender, sexuality or other personal traits.

How Council communicates with its community

Council makes decisions in an open and transparent manner, using tools such as:

- » our website www.maribyrnong.vic.gov.au
- » weekly advertisements in local newspapers
- » regular *City News* advertisements in English and other languages
- » *Maribyrnong News* residents' newsletter delivered three times a year to local residents and businesses
- » *Footscray Life* newsletter and website www.footscraylife.com.au
- » broadcasting information through Twitter and Facebook
- » media releases and responding to media requests
- » community information points at Council events and facilities
- » community information forums, events and activities
- » online community sharing videos.

Community participation and funding

Council provides annual financial support for community projects, initiatives and local festivals that contribute to Council Plan priorities and enhance life for Maribyrnong's communities. In 2012/2013 Council allocated \$423,773 to 77 community organisations across two programs. These were:

- » Community Grants, providing \$134,986 to 64 groups
- » Festivals Grants, providing \$288,787 to 13 organisations (including East Meets West Lunar New Year Festival, Seddon Festival, Albanian Community Festival, Yarraville Festival and Quang Minh Tet Festival).

8.1 Setting priorities for the next four years

Following the October 2012 local government elections, all councils under the Local Government Act are required to develop a four year Council Plan by 30 June 2013.

The development of the new Council Plan 2013-17 (incorporating Municipal Public Health and Wellbeing Plan) involved extensive community consultation through workshops, activities and survey. Over 600 took part in the consultation process. The input from the consultation process helped set Council's vision and priority areas for the next four years.

The Council Plan 2013-17 was adopted by Council on 25 June 2013.

The Council vision is:

"A diverse and vibrant city dedicated to community wellbeing through democracy, sustainable growth and opportunity for all."

These six strategic objectives supporting the Council's vision are:



URBAN GROWTH – We will create a well planned city that facilitates change while respecting our heritage and neighbourhood character.



LIVEABILITY – We will foster a connected and welcoming city for all by providing well designed places and quality services.



ECONOMIC PROSPERITY – In partnership with our community and stakeholders, we will support local business, attract investment and employment opportunities and improve pathways for education and training.



TRANSPORT – We will plan and advocate for functional, sustainable and safe bike and pedestrian friendly transport and a traffic management system that meets the community's needs.



ENVIRONMENTAL SUSTAINABILITY – In partnership with our community and stakeholders we will educate and promote environmental sustainability.



ORGANISATIONAL ACCOUNTABILITY – We will implement a transparent, engaging and accountable governance structure to deliver the Council Plan.

The Plan is underpinned by nine wellbeing outcomes, under the following themes, Well Planned City, Cultural Vibrancy, Economic Prosperity, Equity, Community Harmony, Liveability, Environmental Sustainability, Sustainable Transport and Efficient Workforce.

8.2 Corporate governance

Council Meetings

Maribyrnong Council Meetings are held on a monthly cycle. Generally, Ordinary Council Meetings are held on the third Tuesday of the month.

Special Committees of Council

In February 2012, Maribyrnong Council established two section 86 Committees, namely the Community and Services Special Committee and the City Development Special Committee.

Generally, the Community and Services Special Committee meets on the second Tuesday of each month, and the City Development Special Committee meetings are held on the fourth Tuesday of each month.

Council's commitment to ensuring community participation in the decision making process, is emphasised by no meetings of the above, being held during school holidays.

Chair of Council Meetings

July 2012 to October 2012 – Cr John Cumming, Mayor

November 2012 to June 2013 – Cr Catherine Cumming, Mayor.

Chair of the Community and Services Special Committee

July 2011 to October 2012 – Cr Zakharov

November 2012 to June 2013 – Cr Michael Clarke.

Chair of the City Development Special Committee

July 2012 to October 2012 – Cr Sel Sanli

November 2012 to June 2013 – Cr Sarah Carter.

Planning Forums

Planning Forums are held, as required, throughout the year, and are generally held on a Wednesday. This forum enables Councillors to meet with planning permit applicants and objectors, to hear first hand about proposed developments and issues of concern, prior to decisions being made by the City Development Special Committee.

Committees and Advisory Groups

An important part of the role of a Councillor is to represent the community on special interest committees and advisory groups. Each year, Councillors are appointed to committees that have a local or regional focus.

There is a requirement that Councillors report back to the community and Council at Ordinary Council Meetings each month, via a Delegates' Reports. This assists Council fulfil its commitment to govern responsibly and transparently.



08 Good Governance

Councillors on Committees – July 2012 to October 2012

(Note: election was held in October 2012)

| Committee/Advisory Group | 2011/2012 | July 2012 to October 2012 | November 2012 to June 2013 |
|--|---|---|--|
| Audit Committee | Cr John Cumming Cr Michael Clarke Cr Dina Lynch | Cr John Cumming Cr Michael Clarke Cr Dina Lynch | Cr Catherine Cumming Cr Cameron McDonald Cr Michael Clarke |
| Big West Festival Board | Cr Martin Zakharov | Cr Martin Zakharov | Not applicable |
| Brooklyn Community Reference Group | Cr Michael Clarke | Cr Michael Clarke | Cr Michael Clarke |
| Civic Awards Panel | Not applicable | Not applicable | Cr Catherine Cumming |
| Disability Advisory Committee | Cr John Cumming | Cr John Cumming | Cr Catherine Cumming |
| Heritage Advisory Committee | Cr Martin Zakharov | Cr Martin Zakharov | Cr Cameron McDonald |
| Highpoint Structure Plan Project Advisory Committee | Cr Dina Lynch | Cr Dina Lynch | Concluded in November 2012 |
| Inner Melbourne Action Plan Implementation Committee | Not applicable | Not applicable | Cr Catherine Cumming |
| LeadWest Board | Cr Sarah Carter | Cr Sarah Carter | Cr Sarah Carter Cr Martin Zakharov (substitute) |
| Maribyrnong Arts and Cultural Advisory Committee | Cr Martin Zakharov | Cr Martin Zakharov | Cr Martin Zakharov |
| Maribyrnong Rail Impacts Community Group | Cr John Cumming Cr Michael Clarke | Cr John Cumming Cr Michael Clarke | Cr Grant Miles Cr Martin Zakharov |
| Maribyrnong Safety Advisory Committee | Cr John Cumming | Cr John Cumming | Cr Nam Quach |
| Melbourne Metropolitan Waste Management Group Board | Cr Catherine Cumming | Cr Catherine Cumming | Cr Catherine Cumming |
| Metropolitan Local Governments' Waste Forum | Cr Catherine Cumming | Cr Catherine Cumming | Cr Catherine Cumming |
| Metropolitan Transport Forum | Cr Martin Zakharov | Cr Martin Zakharov | Cr Grant Miles Cr Martin Zakharov |





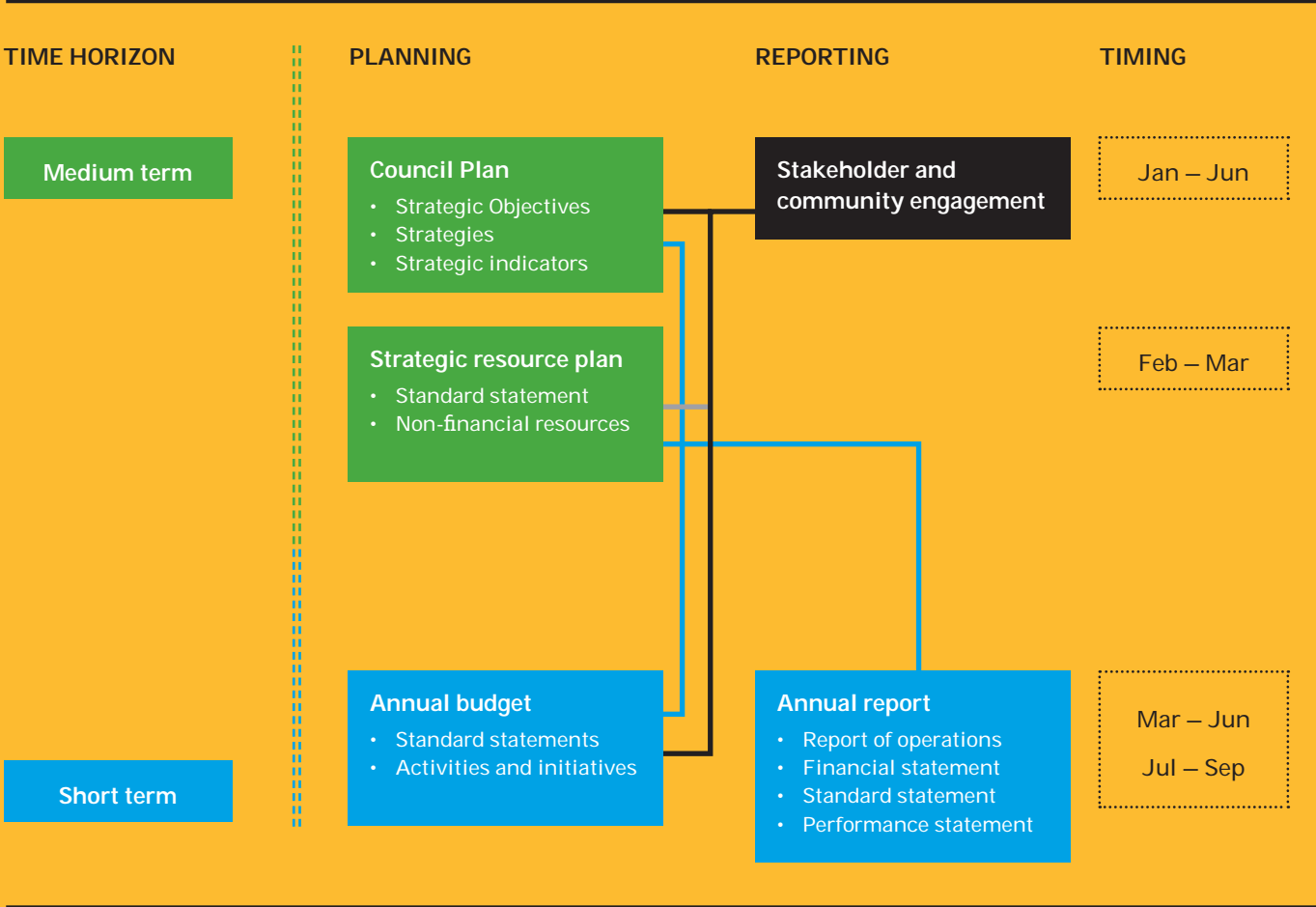
| Committee/Advisory Group | 2011/2012 | July 2012 to October 2012 | November 2012 to June 2013 |
|---|---|---|---|
| Municipal Association of Victoria | Cr Michael Clarke Cr John Cumming (substitute) | Cr Michael Clarke Cr John Cumming (substitute) | Cr Michael Clarke Cr Catherine Cumming (substitute) |
| Municipal Association of Victoria Human Services Advisory Group | Cr Michael Clarke | Cr Michael Clarke | Cr Sarah Carter |
| Older Persons Reference Group | Not applicable | Not applicable | Cr Cameron McDonald (appointed in March 2013) |
| Port of Melbourne Project Liaison Group | Not applicable | Not applicable | Cr Grant Miles Cr Martin Zakharov |
| Regional Rail Link Community Reference Group | Cr John Cumming | Cr John Cumming | Cr Grant Miles |
| Roadsafe West Gate Community Road Safety Committee | Cr Michael Clarke | Cr Michael Clarke | Not applicable |
| Truck Curfew Committee | Not applicable | Cr Michael Clarke Cr Martin Zakharov Cr Dina Lynch (appointed in July 2012) | Cr Grant Miles Cr Martin Zakharov Cr Michael Clarke |
| Victoria Local Governance Association | Cr Sel Sanli Cr John Cumming (substitute) | Cr Sel Sanli Cr John Cumming (substitute) | Cr Sarah Carter Cr Grant Miles (substitute) |
| Western Melbourne Tourism Board | Cr Sarah Carter | Cr Sarah Carter | Cr Sarah Carter |
| Youth Forum | Cr Sel Sanli | Cr Sel Sanli | Cr Nam Quach |



8.3 Our planning and accountability framework

Council is committed to transparency and accountability to the community and other levels of government as to how our rate money is being spent and the quality of services delivered.

The following diagram shows the relationship between the key statutory planning and reporting documents that make up the planning and accountability framework³.



3 Adopted from the Local Government Planning and Reporting: Better Practice Guide Local Government Victoria, Department of Planning and Community Development, February 2013

09

Report of operations

Local Government Act S131 (2) (b)

The following section provides an overview of the past 12 months of operations at Maribyrnong City Council, focussing on:

- » Council's overall achievement against the *Annual Action Plan 2012-2013*
- » *wellbeing outcomes*
- » significant projects and programs
- » major capital works.

Each of the key commitment areas in the Council Plan has a number of strategies and actions to help achieve them.

Council's *Long Term Financial Plan* is the guiding document for Council's finances. The plan is reviewed annually and addresses many challenges, the most significant being cost shifting from other levels of government, repaying Council's inherited debt and managing asset renewal. Council's *Long Term Financial Plan* relies on income from other levels of government.

The report of operations also provides information about services and the organisation in accordance with the requirements of the Local Government Act 1989.

Council Plan 2009-2013

Report on 2012-2013 actions

This is the final year of reporting on the *Council Plan 2009-13*.

The plan was adopted in 2009 by the then newly elected Council to outline its vision, strategic objectives and wellbeing outcomes. The plan's six strategic objectives provide the primary direction for Council and the organisation.

1. Building community spirit, engagement and places
2. Prosperity
3. Moving around the city
4. Amenities
5. Environmental sustainability
6. Organisational performance.

Each strategic objective is supported by a number of strategies, actions and indicators to help measure progress.

As part of annual planning, Council committed to 112 actions across six key commitment areas in 2012-2013. Progress on these actions has been reported to Council on a quarterly basis.

Using a corporate performance reporting system, Council has adopted a traffic light approach to demonstrate its performance. Overall achievement is presented below:



| | |
|----------------------------------|-----|
| Actions completed | 91% |
| Actions partly completed | 6% |
| Actions delayed or not completed | 3% |

LEGEND

| | | |
|--------------------|-------------------|-------------------------|
| 90%-100% completed | 50%-89% completed | Less than 50% completed |
|--------------------|-------------------|-------------------------|

Delays in Victorian Government decisions and funding, reallocation of funds to address constraints, lack of resources and external funding were amongst the reasons 3 per cent of actions were delayed or not completed.

09 Report of operations

Wellbeing Outcomes

The Council Plan annual actions contributed to the following wellbeing outcomes:

Improved:

- » city wide facilities and open space improving access to leisure and recreational facilities
- » access to healthy travel options, including walking, cycling and user-friendly public transport
- » access to opportunities supporting life-long learning
- » capacity of community members to participate in decision making
- » city design that promotes attractive and inclusive neighbourhoods
- » community connections through participation in arts and culture
- » community safety
- » protection of the environment and more sustainable use of natural resources
- » social interaction and community participation.

Increased:

- » community harmony
- » improved social interaction and community participation
- » recognition and respect for historical and cultural heritage
- » responsiveness, productivity and financial sustainability of Council.

9.1 Building Community Spirit, Engagement and Places

What we committed to:

We will build community spirit through the provision of quality facilities, responsive services and people based places with a focus on proactive engagement and community participation in civic life.

Achievements in 2012-2013

We committed to deliver on 37 actions to support the following five strategies.

1. Plan for adequate, appropriate, accessible and integrated physical and social infrastructure for our growing and changing communities.
2. Provide opportunities that encourage and foster citizen engagement and participation in decision making processes.
3. Promote the city's arts, culture, heritage and diversity.
4. Plan new residential developments that integrate into existing neighbourhoods, are designed to promote a sense of community, and contribute to the provision of public spaces, community facilities and services.
5. Promote environments that support the health and wellbeing of the community.

Of the 37 actions, 86 per cent were completed.



| | |
|------------------------------------|-----|
| ■ Actions completed | 86% |
| ■ Actions partly completed | 5% |
| ■ Actions delayed or not completed | 9% |

LEGEND

| | | |
|--------------------|-------------------|-------------------------|
| 90%-100% completed | 50%-89% completed | Less than 50% completed |
|--------------------|-------------------|-------------------------|

Actions delayed or not completed

- » The scope of Robert Barrett Reserve feasibility study has been expanded to cover the Highpoint precinct and will be incorporated with the Highpoint Structure Plan, to be developed during 2013-14.
- » The scope for the review and development of the Open Space Strategy has expanded and now requires more time. The project will be completed in 2014.
- » The development of new Developer Contribution Plans (DPC) has been postponed awaiting the Victorian Government's new DPC guidelines and system.

Highlights

Burns Street Children and Family Centre

Council committed \$4.7 million towards the redevelopment of the Burns Street Children and Family Centre which will transform Dobson Kindergarten and Burns Street Maternal and Child Health Centre in Maidstone into a single integrated facility. This will meet the increased demand for these services, generated through population growth and demographic changes in Maidstone and surrounding areas.

Revitalising Braybrook

Braybrook is ranked the fourth most disadvantaged suburb in the metropolitan region on the SEIFA scale. The *Revitalising Braybrook Action Plan 2013-2015* was developed to give greater opportunity to residents and improve the long-term health and wellbeing of the community.

The plan was developed in consultation with the community and stakeholders. It outlines short and long-term actions for investment across seven key areas.

Braybrook Community Hub

Council committed \$12.5 million towards the development of Braybrook Community Hub project which will create an integrated facility and provide opportunities for literacy, learning, training, capacity building and social inclusion.

The hub will include a public library, meeting spaces and training rooms, a sports pavilion and an upgraded early years learning centre. The hub will complement the range of facilities offered by the existing Braybrook Community Centre.

Welcome booklet in community languages

Maribyrnong City Council's Welcome Booklet provides accessible information on Council's services and program. The publication is provided to new citizens and is available from all Council facilities.

National Youth Week

National Youth Week showcased the achievements and talents of young people in our community and hosted a range of events for young people to enjoy.

As part of National Youth Week, Phoenix Youth Centre's Splash Gallery showed an art exhibition of up and coming young local artists.

International Women's Day

Council, together with Brimbank City Council and Women's Health West, hosted International Women's Day celebrations at Phoenix Youth Centre. The event included performances and artwork by talented young female artists and, as part of Council's 2011 – 2014 Gender Equity Strategy, saw Cr Sarah Carter appointed as the inaugural Gender Equity Ambassador. The Gender Equity Ambassador is a new initiative to ensure gender equity remains a priority for Council and the community.

Positive Ageing Expo

Council organised the Positive Ageing Expo, in partnership with its Older Persons Reference Group. The group was formed to promote participation by older people in the life of the municipality.

Development of new Indigenous Policy and Reconciliation Action Plan

Council's 2009-2013 Indigenous Policy and Action Plan expired in June 2013. In early 2013, a community consultation process commenced to gather information on the issues affecting local Indigenous people, the services that they access and what Council can do to continue to support the community. This information will be used to develop Council's next five year Indigenous Policy and annual Reconciliation Action Plans. The new policy and plan will be launched late 2013.

Immunisation service

Council has improved its childhood immunisation service. The service offers local families more flexibility with more sessions available for both drop-in and pre-booked appointments at venues throughout Maribyrnong.

09 Report of operations

Skate park strategy

A review of current and future provision of skate and youth spaces across the municipality was conducted with a focus on:

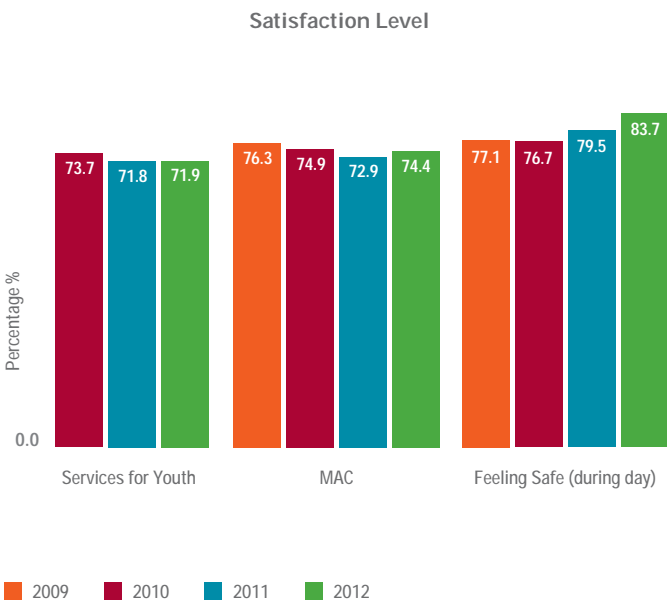
- » gaps in the provision of skate and BMX facilities and strategies to address these
- » possible site options
- » costs.

The project provides Council with a strategic plan to guide the provision of public spaces for young people's recreation.

Strategic indicators



Source: Maribyrnong Annual Community Survey



Source: Maribyrnong Annual Community Survey



9.2 Prosperity

What we committed to:

We will facilitate and advocate for better access to education, housing, health, employment and cultural services for all residents so they have every opportunity to reach their full potential.

Achievements in 2012-2013

We committed to deliver 13 actions to support the following four strategies.

1. Promote and support a skilled community that is adaptable to changing workforce needs through education, training, business skills development and promoting life-long learning.
2. Support industries and businesses which will create varied employment opportunities and enhance the social and economic wellbeing of residents.
3. Develop programs to increase and encourage community activities and entertainment within the public realm.
4. Investigate opportunities for private-public partnership to plan and deliver the required infrastructure for current and future communities.

All of the 13 actions were completed.



■ Actions completed 100%

LEGEND

| | | |
|--------------------|-------------------|-------------------------|
| 90%-100% completed | 50%-89% completed | Less than 50% completed |
|--------------------|-------------------|-------------------------|

Highlights

Pop up park

The temporary pop up park in Yarraville village created a place for people not cars, encouraged community pride in public spaces, reduced vehicular noise and traffic, eased pedestrian movement around shops and increased public life in the village.

The pop up park included large planters, synthetic turf, tables, chairs and umbrellas. Traders, community groups and locals held events and art installations to enhance the space.

Business skills for artists

Council's free Business Skills for Artists workshop provided practical tips to local artists on the best ways to promote and sell artwork and identify avenues to exhibit work.

Public artwork – wominjeka tarnuk yooroom

A new \$170,000 public artwork has been approved for installation in Footscray. The permanent installation is called *wominjeka tarnuk yooroom*, or *welcome bowl*. The piece offers an indigenous welcome to country for residents, recently arrived migrants, refugees and visitors.

Incredible, Edible, Moveable Maribyrnong

Council's Incredible, Edible, Movable Maribyrnong project celebrated a successful second year.

The three year project, launched in December 2011, is Australian Government funded and aims to increase awareness of healthy eating and physical activity with a range of free and low cost healthy lifestyle programs.

Council is committed to providing a healthy and secure community and recognises preventive health, healthy eating and physical activity as vital to achieving this.

09 Report of operations

Festivals and events

Maribyrnong has established itself as a Festivals City, with state-wide recognition, and attracting significant funding into the city for major festivals. Over the last twelve months, Council has supported and produced a variety of successful community focussed festivals. Larger mainstream festivals were also showcased throughout the municipality. Festivals supported by Council included:

- » Albanian Festival
- » Big West Festival
- » Carols in the Gardens
- » Ethiopian New Year Festival
- » East Meets West Lunar New Year Festival
- » Emerge in the West Festival
- » International Blacksmith Festival
- » Indigenous concert as part of the Wominjeka Festival
- » Melbourne Food and Wine Festival 'Feasting in Footscray' including Vietnam on a Plate, Rickshaw Run and the Farmers Market at Footscray Station
- » Melbourne Queer Film Festival
- » Quang Minh Tet Festival
- » Saint Jerome's Laneway Festival
- » Seddon Festival
- » Yarraville Arts Festival

Other projects

- » Seventeen literary library events held generated 972 attendances
- » Completed volunteerism feasibility study
- » Supported businesses in Footscray through a range of programs including:
 - » business seminars
 - » training
 - » small business mobile counselling service
 - » Feasting in Footscray.

Strategic indicators



9.3 Moving Around the City

Strategic objective

We will plan, implement, manage and advocate for transport and parking systems for the city that enable people to get around and arrive safely at their destination, with a positive impact on community wellbeing and the environment.

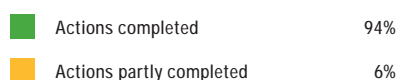
Achievements in 2012-2013

We committed to 17 actions to support the following four strategies.

1. Develop and promote safe, accessible, and environmentally sustainable transport infrastructure.
2. Promote and support life long mobility ensuring access for all ages and abilities through our city.
3. Advocate to both Victorian and Australian Governments for new and improved transport infrastructure.
4. Ensure the city's traffic management system can move people, goods and services safely, efficiently and conveniently.



Of the 17 actions, 94 per cent were completed.



LEGEND



Highlights

Neighbourhood road upgrades

Council upgraded roads in Seddon and Footscray to make streets more attractive and safer for all road users, particularly cyclists.

The improvements which have been undertaken as part of the Seddon Local Area Traffic Management program include the installation of speed humps and a new roundabout with shared lane markings and a newly resurfaced and widened bike lane.

Annual bike counts

Council's annual bike count shows the number of people cycling in the municipality is continuing to grow, with a 36 per cent increase in cyclists since the 2012 bike count.

Regional rail project

Council has worked very closely with the Regional Rail Project – Australia's largest public transport infrastructure project to ensure it

achieves community benefit. For Maribyrnong City the Regional Rail Project will deliver significant improvements to Footscray station and a brand new West Footscray station. 10,000 more patrons are expected to pass through Footscray Railway Station.

Footscray Station will be upgraded to a major railway station interchange with new platforms, ramps and escalators. The new railway lines will allow country trains to run express from Footscray to Southern Cross Station. Regional train travellers will have the opportunity to stop at Footscray after a much quicker journey from regional Victoria.

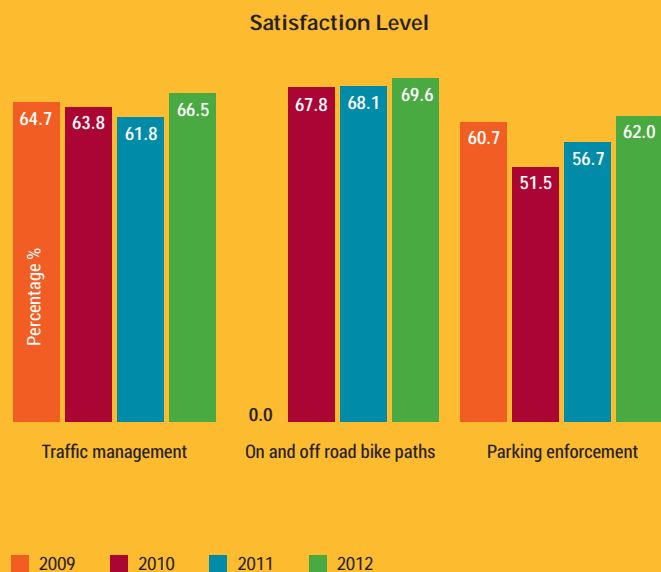
The Regional Rail Link project is being built with funding from both the federal and Victorian governments.

Other projects

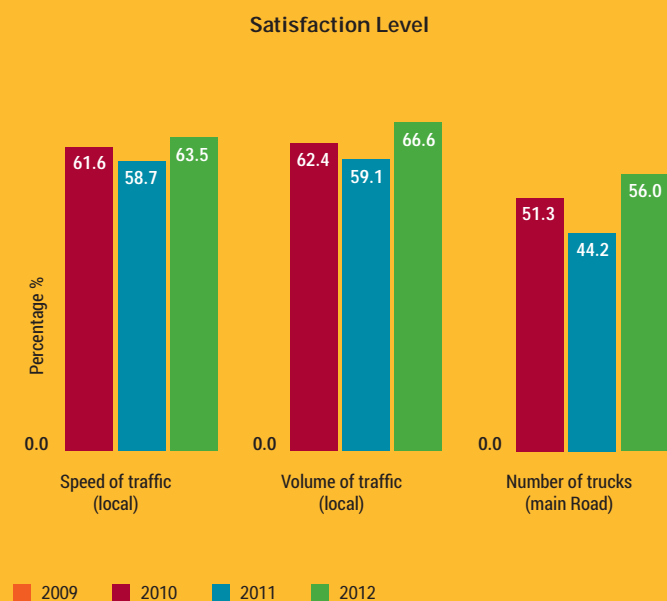
- » Commenced planning to convert the former works centre site into a temporary car park next to Western Health hospital
- » Completed Road Safety Around Schools projects
- » Building better roads under the Road Improvement Program
- » Implemented 2012-13 planned actions contained in the following Strategies:
 - » Maribyrnong Walking strategy
 - » Safe Travel Plan
 - » Northern Maribyrnong Integrated Transport Strategy
- » Advocated on:
 - » Federation Trail Bridge
 - » Regional Rail Link
 - » Truck issues
 - » East West Link
 - » Westgate Freeway Truck Ramps
 - » Tram route extension and improvements
 - » Bus route improvements
 - » Shepherds Bridge widening for cyclist safety.

09 Report of operations

Strategic indicators



Source: Maribyrnong Annual Community Survey



Source: Maribyrnong Annual Community Survey

9.4 Amenity

Strategic objective

We will create a well planned city and improve its amenity by creating streets and spaces, neighbourhoods and public places that are safe, sustainable, well used and the pride of the community.

Achievements in 2012-2013

We committed to 20 actions to support three strategies.

1. Provide integrated and responsive actions (eg. planning enforcement, building control, local laws, animal management, rapid response and field services) to maximise public amenity and safety.
2. Improve and maintain the quality and accessibility of social and physical infrastructure through development and implementation of policies and actions to improve the built environment.
3. Continue to manage and renew our assets.

Of the 20 actions, 85 per cent were completed.



| | |
|--------------------------|-----|
| Actions completed | 85% |
| Actions partly completed | 15% |

LEGEND

| | | |
|--------------------|-------------------|-------------------------|
| 90%-100% completed | 50%-89% completed | Less than 50% completed |
|--------------------|-------------------|-------------------------|

Highlights

CCTV evaluation

The Footscray public safety CCTV has been operational for two years. Evaluation of the system will be completed by September 2013.

The evaluation includes an analysis of police data, perceptions of safety survey data, qualitative interview data from traders, service providers and community members and customer request data including syringe collection and graffiti removal.

Masterplan for new park

A masterplan has been developed for the Sinking Village, following extensive community consultation. It outlines Council's plan to create a new community park on the currently vacant land. Stage 1 of the masterplan saw \$150,000 of works completed this financial year including installation of a lawn area, pathways, seating, park signage and new trees. The Sinking Village Landscape Masterplan envisages \$450,000 of capital works in total to be implemented over several years.

Shorten Reserve redevelopment

Council has redeveloped Shorten Reserve Pavilion in West Footscray to provide users with new amenities including a kitchen and kiosk area, toilets, an umpires room and first aid room. The redevelopment also includes a refurbishment of the pavilion's social room, storage room, change room and bar areas.

Memorial garden (Avenue of Honour) at Footscray Park

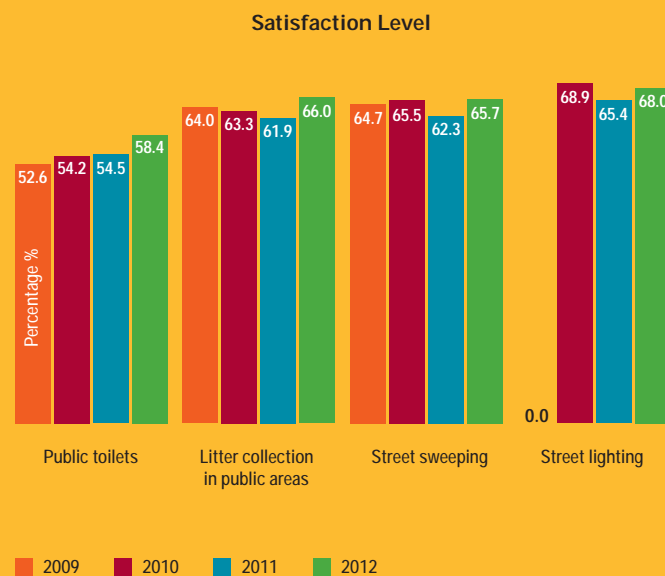
A memorial garden at the corner of Ballarat and Geelong roads re-established memorial plaques from the former Old Geelong Road Boulevard into a new public space. The memorial honours local men and women who died in the service to the country.

Council contributed \$370,000 to the project, the Australian Government provided \$4,000 to help with restoring the plaques, and the Victorian Veterans Council gave \$9,600 for interpretation panels.

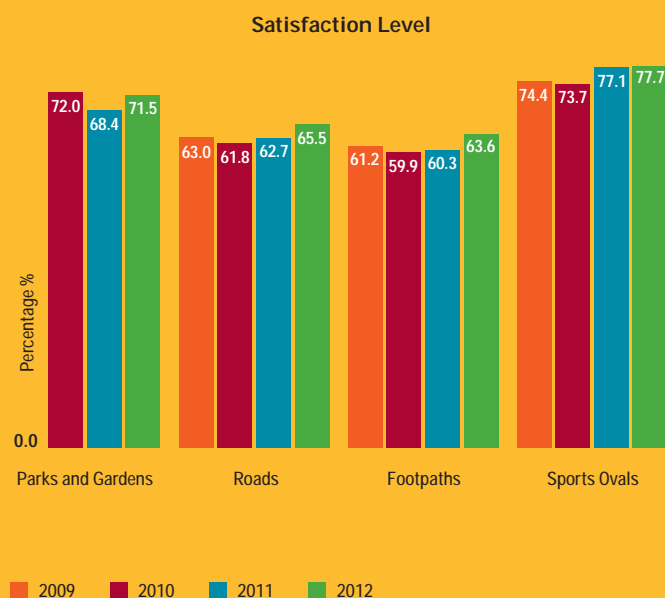
Other projects

- » Delivered improvements to 19 parks and reserves under the 2012-2013 Parks Improvement Program
- » Installed decorative lighting in Barkly Village, West Footscray
- » Delivered just over \$19 million Capital Works Program
- » Improved footpaths for 12 local roads
- » Continued with playground upgrade and replacement program.

Strategic indicators



Source: Maribyrnong Annual Community Survey



Source: Maribyrnong Annual Community Survey

9.5 Environmental Sustainability

Strategic objective

We value our precious environmental resources. In partnership with our community we will lead, trial, and promote sustainable practice.

Achievements in 2012-2013

We committed to 12 actions to support three strategies.

- 1. Educate, inform and lead by example in environmental sustainability.
- 2. Deliver services and activities that support the preservation of the natural environment.
- 3. Work in partnership and collaboration with the community, key stakeholders, industries and other tiers of government to respond to climate change impacts and reduce inequalities.

Of the 12 actions, 92 per cent were completed.



| | |
|--------------------------|-----|
| Actions completed | 92% |
| Actions partly completed | 8% |

LEGEND

| | | |
|--------------------|-------------------|-------------------------|
| 90%-100% completed | 50%-89% completed | Less than 50% completed |
|--------------------|-------------------|-------------------------|

Highlights

Sustainability expo

Council transformed West Footscray Library and Neighbourhood House into a hive of green activity with its 2013 Sustainable Living Expo. The free event included a series of workshops on the theme of Love Food, Hate Waste. It also included practical sessions on composting and sustainable gardening and interactive exhibitions on solar panels and solar cooking, creating energy from cycling with Future Spark Bike Trailer and information about the stormwater cycle with Melbourne Water.

MAC rainwater harvesting and backwash

A rainwater harvesting and backwash reuse system was installed at Maribyrnong Aquatic Centre. The system saves 5 million litres of water per year with two large tanks collecting rainwater from the roof for reuse back into the pool and treatment and reuse of water to clean the filtration system.

Energy efficiency improvements

A two year program improving energy efficiency at Council's community buildings was completed. This included upgrades to lighting, installation of sensor lights, more efficient hot water services and the installation of solar panels at a number of community and child care centres.

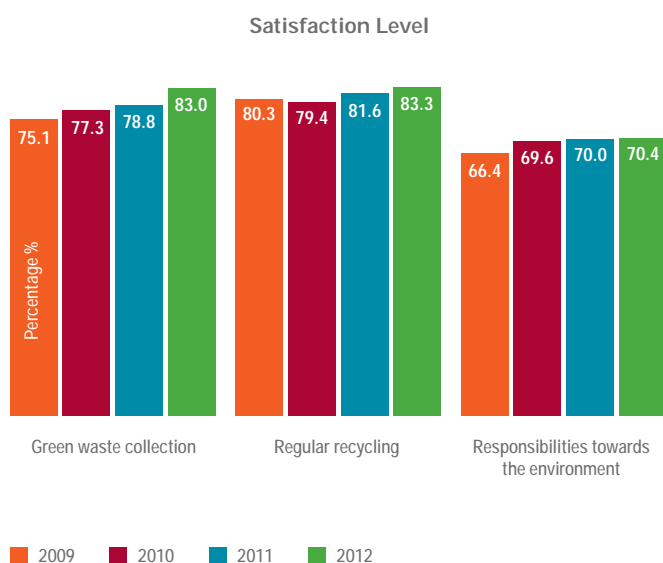
Sustainability education sessions

Twenty Sustainable Living Education sessions on the theme of Love Food, Hate Waste was presented in libraries and community centres across the municipality. The program focused on a holistic approach to minimising waste.

Other projects

- » Conducted regular community events on environmental topics such as Live Well for Less
- » Launched the Maribyrnong Edible Garden at Braybrook
- » Improved street lighting, including the installation of solar powered lights at Clare Court Children's Centre car park
- » Implemented tree planting program with 1,762 new trees planted over the planting period.

Strategic indicators



Source: Maribyrnong Annual Community Survey

9.6 Organisational Performance

Strategic objective

We will develop an organisation that is valued and trusted, and facilitate its growth and development to ensure Council is continually positioned to respond to the challenges of providing a best practice service to our diverse community.

Achievements in 2012-2013

We committed to 14 actions to support the following three strategies.

1. Develop systems and processes that are innovative, continually improving and ensure accountability and responsiveness.
2. Develop our staff to optimise the performance of the organisation to deliver quality outcomes for the community.
3. Develop an organisational culture driven by our core values to achieve a clear and common focus shared by councillors, management and staff.

All of the 14 actions were completed.



Actions completed 100%

LEGEND



Highlights

Service reviews and continuous improvement

We have integrated our Continuous Improvement – Best Value program throughout Council and it has become a keystone of our culture. This year, 12 key service areas have undertaken a review, with a range of service improvements and initiatives being identified and implemented. This program will continue to be strengthened into the coming year as we further integrate Best Value with business transformation initiatives.

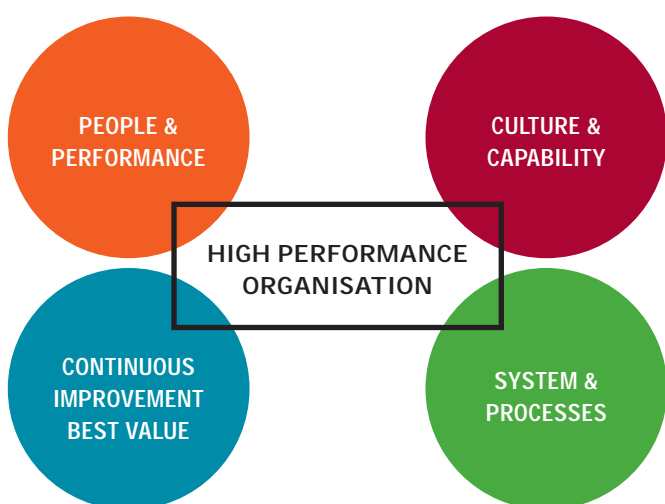
Business Transformation

In June 2012, Council commenced a business transformation journey aimed at delivering innovative customer service to continuously improve the community's experiences with Council.

The Business Transformation program is a whole of organisation culture change program focusing on four key 'planks':

- » Continuous Improvement and Best Value: Commitment to business excellence through innovative solutions
- » People and Performance: Strengthening our people & performance capacity and capability to meet and deliver on current and future challenges
- » Culture and Capability: A resilient, adaptive and innovative organisational culture
- » Systems and Process: Excellence in organisational design through the implementation of business processes and systems.

09 Report of operations



Each plank provides strategies and programs to deliver on Council's commitments to the community.

Enabling the transformation is the implementation of new business systems that will integrate Council's core business processes. The preferred vendor was selected by Council in February 2013. All major Council business systems will be integrated under one 'umbrella', enabling a cross organisational view of customer information. Additionally, Council will be introducing new and improved online service options over the next two years, enabling customers to interact with Council in more flexible and convenient ways.

The integration of critical business systems will deliver a greatly improved customer experience for residents, ratepayers, stakeholders and the community.

Organisational restructure and relocation of the operations centre

In December 2011, Council commenced an organisational restructure project. The project engaged with over 60 staff representing almost all teams within Council, with the mandate to collaboratively design and present an optimal organisational structure to deliver on current and future service and community outcomes.

After four months of consultation and design, the new structure was adopted in July 2012 by the CEO and Executive Management team.

The new organisational structure provides more logical and synergistic alignment between functions to improve the quality, efficiency and responsiveness of services to the community.

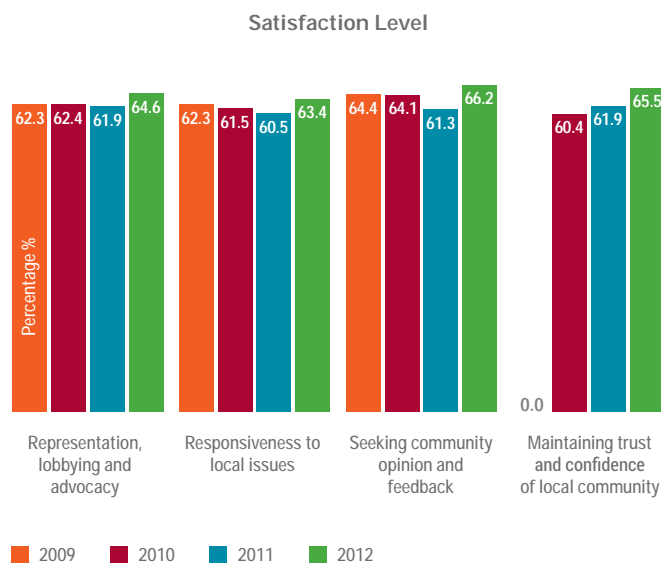
New teams were also created or realigned, including Contracts and Procurement; Strategic Marketing, Communications and Advocacy; Risk and Emergency Management; and the addition of the Business Transformation function to Organisational Development.

A significant Council achievement following the restructure was the relocation of Council's Operations and Maintenance teams from the old Southampton Street Works Centre to the new Operations Centre at 95 Sunshine Road. The Southampton depot has been in operation for close to 40 years and the relocation involved not only the physical relocation of over 200 staff to a new, modern facility, but also to manage the continuation of high quality services to the community while undertaking to relocate over 40 years of work history. This was a significant event for a large part of the organisation and a large number of staff were involved in ensuring a successful relocation to a facility that will sustain Council's operational requirements for the next 20 years.

Other projects

- » Developed Human Rights and Social Justice Framework
- » Developed Council Policy Framework
- » Completed a draft Risk Management Framework
- » Strengthened Gender Equity commitment in Council's Policies, including the new Council Plan 2013-2017 which has strong gender consideration.

Strategic indicators



Source: Maribyrnong Annual Community Survey

10

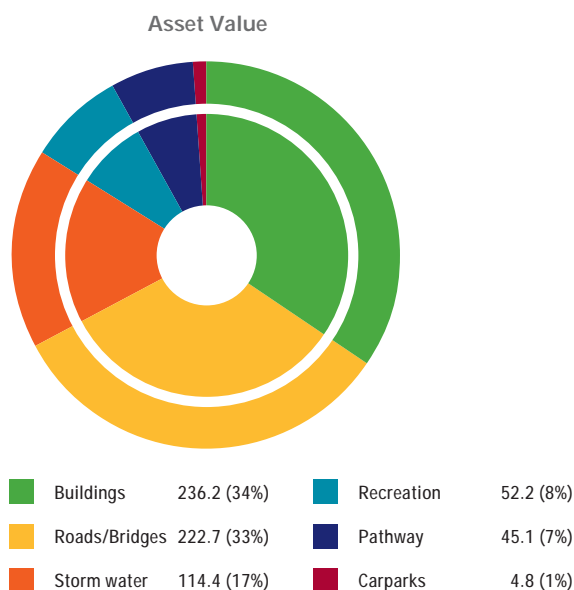
Our assets

Asset management

Council's total assets are valued at \$675 million. This includes major asset classes, roads, parks, drains, buildings, car parks and bridges (this figure excludes trees, fleet, information technology, and library books, which if included, would increase the value to \$800 million).

Council is working towards improving the standard of its assets and to reduce its asset renewal gap by developing an integrated asset management system. In recognition of council's work, we have achieved high competency score through the Municipal Association of Victoria assessment program. Maribyrnong is one of 14 Victorian councils to reach this high score and comply with the National Asset Management Framework.

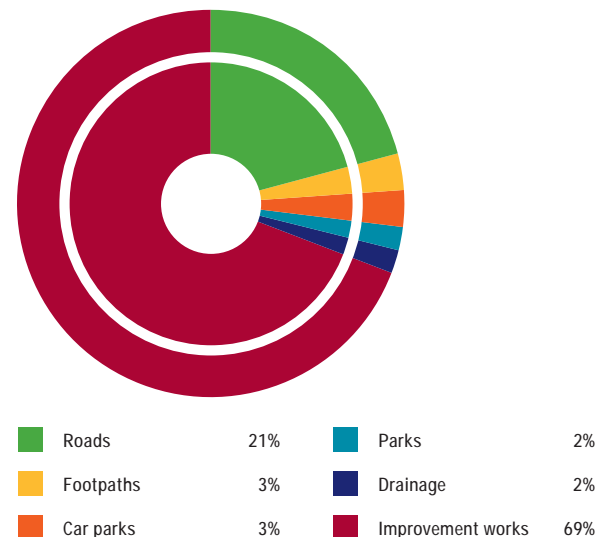
A breakdown of asset value by major asset class is shown in the chart below:



Capital and improvement program

In 2012-2013 Council had a major capital and improvement program as shown in the chart in the next column.

Capital and improvement program 2012/13



Below are some examples of projects completed under the capital and improvement program

Parks and Reserves

Upgrade to nine reserves and three parks including

- » street trees, landscaping, new BBQs, upgrade to car parks
- » upgrades to two playgrounds and installation of one new playground
- » upgrade and surface renewal and garden planting

Roads

Major upgrades to 7 local roads (including kerb and channel). Total length 3,140m.

Road re-sheeting works of 12 roads. Total length of 2,538m or 23,060 square metres in area.

Footpaths

Reconstructed footpaths in 18 streets across the municipality, covering 1,792m in area, with a focus on Footscray and Braybrook.

Car Park Improvements

Significant improvements to four car parks, totalling 4,125 square metres in area.

Buildings

- » Shorten Reserve pavilion redevelopment
- » Maribyrnong Aquatic Centre provision of additional change rooms
- » Johnson Reserve pavilion toilets and showers upgrade
- » Drill hall roof renewal
- » Footscray Community Arts Centre external works

Contamination

- » Warrs Road Maribyrnong kindergarten soil remediation
- » Yarraville kindergarten Norfolk Street soil remediation

Our Organisation

Our executive team

A new organisational structure was implemented in July 2012. The current Executive Management Team is made up of the Chief Executive Officer and four directors and an executive manager.



Vince Haining

Chief Executive Officer

The Chief Executive Officer has overall responsibility for the implementation of the Council Plan and providing timely advice to the Council on the performance of the organisation.



Ian Butterworth

Director, Infrastructure and Engineering

The Infrastructure and Engineering directorate is responsible for strategic planning and development of physical assets such as local roads, paths, drains, laneways and buildings. It is also responsible for transport planning, parking management, traffic engineering, risk management, public lighting and operations and maintenance of parks and gardens and waste and cleansing services. This directorate is also responsible for environmental sustainability.



Nigel Higgins

Director, Sustainable Development

The Sustainable Development directorate promotes the long-term sustainable development of the city. The directorate focuses on planning for sustainable developments, creating improvements and the renewal of public realms, increasing economic development and providing urban planning and building services.

The directorate is also responsible for Regulatory Services in the areas of building services, environmental health and traffic and local law and compliance.



Celia Haddock

Director, Corporate Services

The Corporate Services directorate provides services essential to maintaining the organisation's operation and sustainable development. Services include information technology, communications, advocacy, governance property management, contracts and procurement, customer service, council planning and performance, and managing the Council in a financially responsible and sustainable manner.

Commenced in April 2013



Arden Joseph

Director, Community Wellbeing

The Community Wellbeing directorate plans and provides services and functions that support the community, enhance wellbeing and provide opportunities to participate in the life of the city.

The directorate delivers a range of services to support the community in all stages of their lives. From early childhood services, including maternal and child health, through to services for young people, families, and older members of the community. A safe and healthy community is promoted through public health services. The directorate is also responsible for recreation services and the Maribyrnong Aquatic Centre.



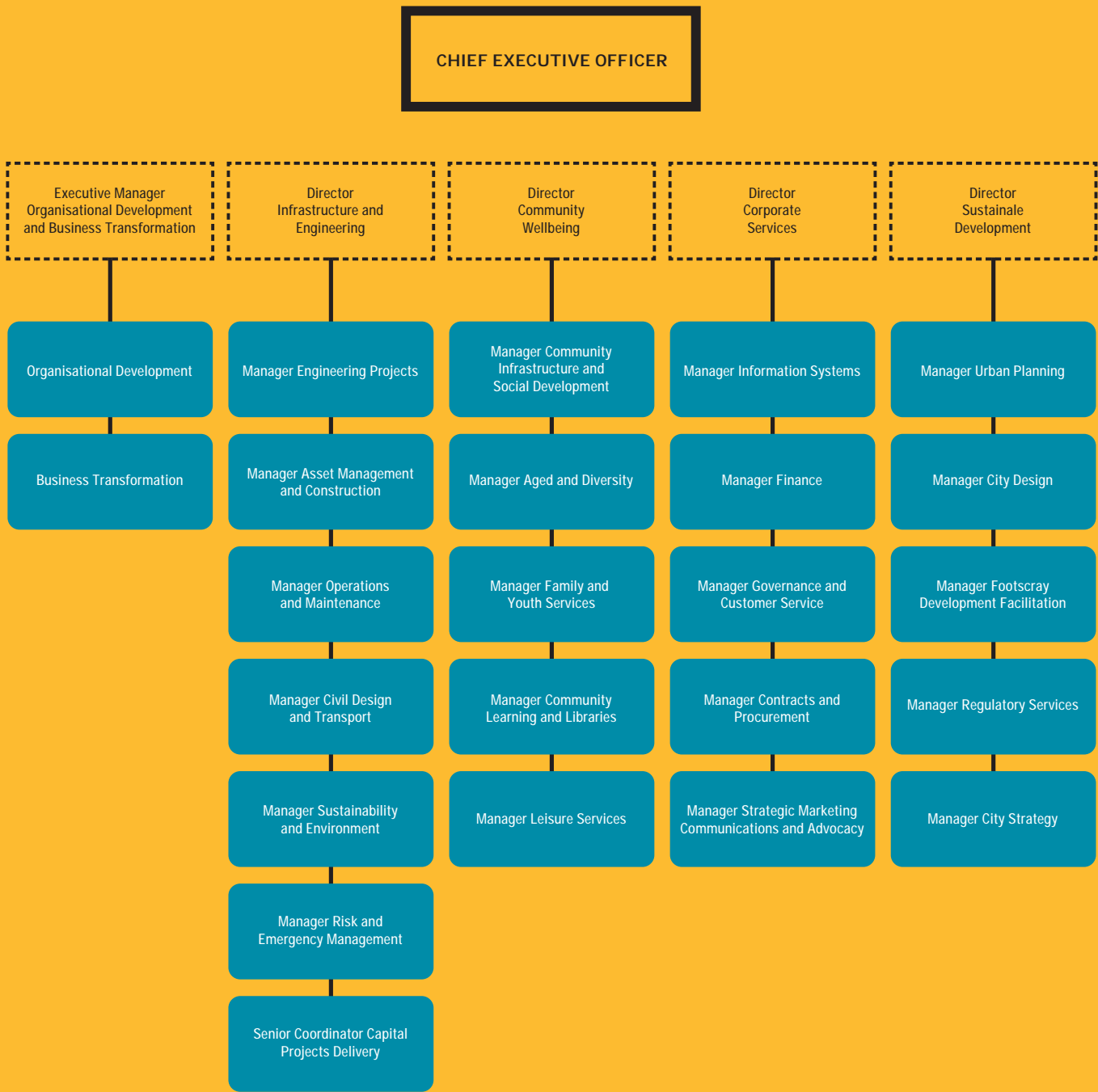
Marnie Williams

Executive Manager, Organisational Development and Business Transformation

Organisational Development and Business Transformation is responsible for organisational development, human resources, occupational health and safety, corporate planning and performance, best value service review, continuous improvement and business transformation - implementation of business processes and systems.

Specific focuses of the area include people and culture; change management; building strong leadership culture; workforce planning; learning and development and corporate reporting.

Organisational Structure



Organisational effectiveness

The *Local Government Act 1989* (the Act) requires Council to prepare a Strategic Resource Plan which includes both the financial and non-financial resources required to achieve the strategic objectives of the Council Plan.

Council's capacity to deliver these objectives is based on its service culture, people, good governance, business systems and technology, asset management, risk and environmental management, competent financial planning and the application of Best Value principles.

Our organisational values

A set of organisational values guide the behaviour of our staff.

Respect

This includes the promotion of inclusiveness, empathy, communication and goodwill.

Courage

This includes the promotion of innovation, considered risk, creativity, problem solving, initiative accountability and responsibility.

Integrity

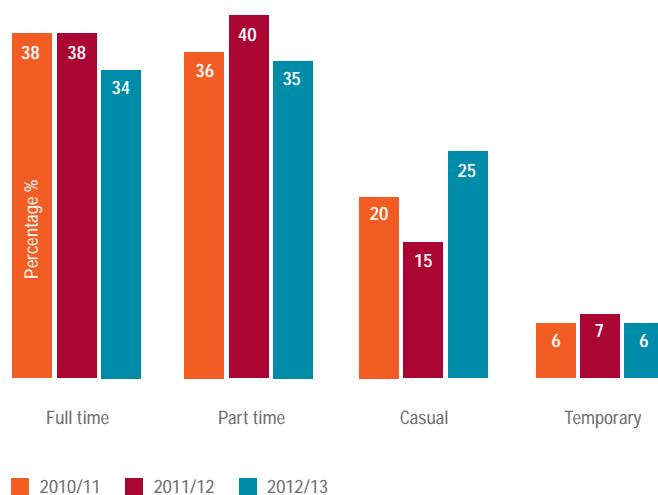
This includes the promotion of honesty, loyalty, ethical behaviour and trustworthiness.

Our staff

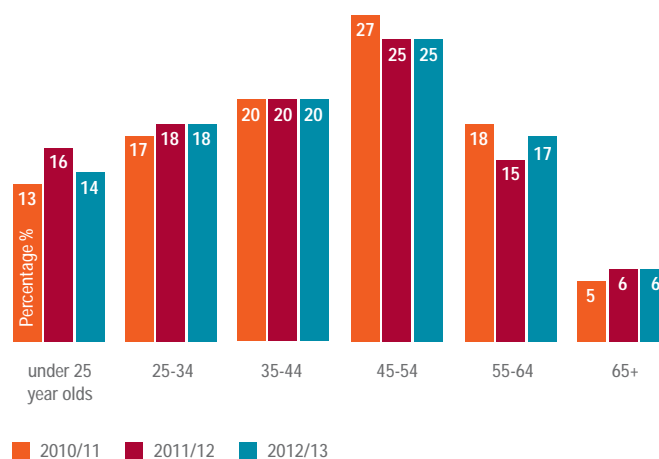
As at the end of June 2013, Council's workforce comprised 889 employees (this is based on active paid headcount).

Of the total number of staff, 61% were females and 39% were males.

Staff Employment Status

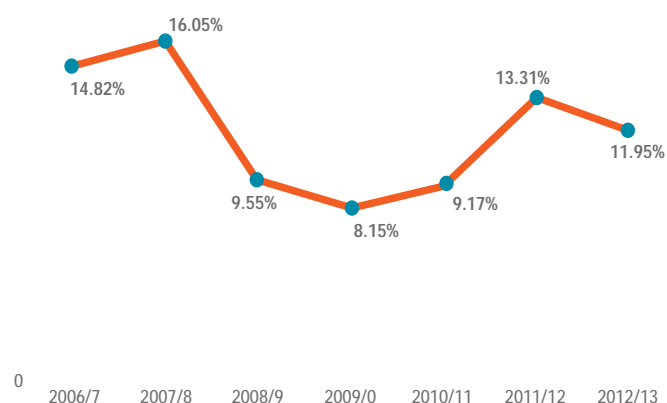


Age Group of Staff



Staff turnover

For the last few years, Council's staff turnover continued to be lower than its target. For 2012-2013, Council's staff turnover rate decreased to 11.95% very close to the industry standard of 12.4%.



11 Our organisation

Organisational culture and capability at Maribyrnong

Council is committed to a workplace where the development of employees is valued and encouraged.

Council recognises that the delivery of the Council Plan to the community is dependent on the performance and capability of our people. This year Council has embarked on a journey to develop a high performing culture founded in our values of respect, courage and integrity and that is committed to continuous improvement.

Enabling and developing staff capability has been a key platform in our commitment to a high performing organisation. Over the past year, our focus has shifted from the traditional just-in-time training to a more structured and long-term approach to building organisational capability. This will ensure we have a broad range of highly skilled, engaged and talented staff who are central to our success and committed to our journey of continuous improvement.

We have concentrated on developing the skills and capabilities of our people through providing on-the-job development activities, such as internal secondments, acting opportunities, mentoring, and cross branch activities. We have also strengthened our leadership program and provided a greater range of formal learning opportunities both to our leadership team and across the organisation.

Also pivotal to successful staff engagement is our Occupational Health and Safety program. This year, we have worked closely with staff to provide a range of programs that encourage active engagement with employee safety, health, and overall wellbeing.

Council's learning and development program strives to build a culture of ongoing learning to enhance the organisation's capacity to deliver the Council Plan. In line with Council's learning and development policy, we offered a range of opportunities in customer service, communication, personal development, leadership, information technology skills, culture and diversity, human resources, OHS, risk and technical in-house training.

Awards

Council staff won two prestigious awards during 2012-2013

- » Ben Morrissey from the Corporate Planning and Performance team was presented with the LGPro 'Young Achievers' award.
- » Staff from the Maribyrnong Aquatic Centre were awarded with the Victorian Awards of Excellence (Swim and Survive Licensee of the Year) from the Life Saving Victoria.



12

Compliance and accountability

Risk management

To achieve our corporate objectives, Council manages many activities that have an inherent risk attached to them and pursues opportunities that involve some degree of risk. Council activities have the potential to impact on:

- » the health and safety of employees
- » Council's reputation
- » the environment
- » the community
- » regulatory requirements
- » operational issues, including Council's financial performance.

By understanding and managing these risks, Council has greater certainty and confidence in our operations.

Council is committed to managing risk through effective systems, processes, procedures and a risk awareness culture among staff to help achieve our corporate goals and objectives in delivering services to the community.

Procurement policy

The Procurement Policy was made, reviewed and amended under Section 186A of the Local Government Act 1989. This section of the Act requires Council to prepare, approve and comply with a procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by Council. The policy applies to all contracting and procurement activities at Council and is binding upon councillors, officers and temporary employees, contractors and consultants while engaged by the Council.

Occupational Health and Safety (OHS)

Council has continued to progress through the Occupational Health and Safety (OHS) Plan 2009-2014. In the past financial year, organisational emphasis has significantly shifted from reactive safety management to proactive and preventative programs designed to increase safety culture and awareness. The OHS function undertook a wide ranging service review that looked at current processes, systems and culture and recommended the introduction of a range of proactive strategies and programs designed to enable the workforce to better manage health and wellbeing.

Workplace health and safety has been a priority for the Executive Management Team and the 2012/13 financial year saw an increased focus on OHS reporting, management training, and updating of a range of policies and procedures.

The team delivered a wide range of support services and programs

across a diverse range of Council teams. Key highlights include:

- » Development and review of safe work procedures with the tree team, Traffic and Local Laws, Civil Design and Maternal and Child Health staff
- » Training in hazard and incident reporting leading to a 20 per cent increase in hazard and near miss reporting in quarter four of the financial year
- » Worksafe week activities including safety recognition awards, worker health checks and training in manual handling and personal safety
- » Completion of OHS audit 2012 actions
- » Development of emergency procedures for Maribyrnong's senior citizen centres
- » Development and introduction of the Health and Wellbeing program, with emphasis on activity in the workplace.

Council has continued to progress through the *Occupational Health and Safety (OHS) Plan 2009-2014*, with the following actions being completed:

- » 75 per cent of OHS plan actions completed
- » Eight health and safety representative elections conducted
- » OHS committee and all designated workgroups local safety committees continued to meet on a regular basis to resolve OHS issues
- » Ergonomic assessments of 55 workstations throughout Council worksites
- » Reviewed and updated five OHS policies
- » Four major incident investigations completed.

Best Value and continuous improvement

Current legislation requires councils to report annually to their communities on Best Value principles. This means:

- » All services provided by Council must meet quality and cost standards
- » Each service provided by Council must be accessible to those members of the community to whom the service is intended
- » All services provided by Council must be responsive to the needs of the community
- » Council must provide continuous improvement in the provision of services to its community

12 Compliance and accountability

- » Council must develop a program of regular consultation with its community in relation to the principles
- » Council must report regularly to its community on its achievements in relation to the principles.

In 2011 Council developed and implemented its Best Value Service Review Framework to deliver an integrated and consistent approach to service planning and reviews. The framework also forms the basis for implementing new corporate information technology aimed at making fundamental changes to the way in which the Council works, so that it delivers better services to customers first time, and every time, and achieves better value for money.

The application of the framework ensures Council takes an integrated and consistent approach to service planning and reviews. The framework provides a guide to any review process, with some basic questions, including:

- » Are we providing services that our residents value, and what needs improving?
- » What should we be providing, and what we should not?
- » How can we improve the way we do things?
- » Where we are now and where do we want or need to be?



LEGEND

Completed service review

To commence service review

During 2012/2013 financial year a total of 12 service areas undertook Best Value service reviews across four directorates. The table shows Council's Best Value service review program, subject to regular review and update.

| DEPARTMENT/SERVICE | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|--------------------------|--------------------------|----------------------------|----------------------------|
| Community Wellbeing | | | | |
| Arts and culture | | | | To commence service review |
| Safer communities and health promotion | | Completed service review | | |
| Community projects | | | | |
| Libraries | | | To commence service review | |
| Community centres network | | Completed service review | | |
| Youth services | Completed service review | | | |
| Maternal and child health services | Completed service review | | | |
| Early years | | Completed service review | | |
| Diversity services | | Completed service review | | |
| Positive ageing services | | | To commence service review | |
| Community care services | | | To commence service review | |
| Recreation | | | To commence service review | |
| Maribyrnong Aquatic Centre | Completed service review | | | |
| Infrastructure and Engineering | | | | |
| Transport | | Completed service review | | |
| Civil design and development | | | To commence service review | |
| Asset management | | | To commence service review | |
| Facilities planning and contracts | | | | To commence service review |
| Civil construction | | | | To commence service review |
| Parks and garden services | | Completed service review | To commence service review | |
| Waste and cleansing | | | To commence service review | |
| Civil works and plan maintenance | | | | To commence service review |
| Fleet management | | | To commence service review | |
| Building maintenance | | | To commence service review | |
| Rapid response | | Completed service review | | |
| Sustainability and environment | | Completed service review | | |

12 Compliance and accountability

LEGEND

Completed service review

To commence service review

Best Value service reviews program (continued)

| DEPARTMENT/SERVICE | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|--------------------------|--------------------------|----------------------------|----------------------------|
| Corporate Services | | | | |
| Contracts and procurement | | | | To commence service review |
| Information technology | | | To commence service review | To commence service review |
| Information management | | | To commence service review | |
| Media and communications | | | | To commence service review |
| Customer service | | | To commence service review | |
| Civic facilities | | | | To commence service review |
| Finance | | | To commence service review | |
| Payroll | Completed service review | | | |
| Revenue and valuations | Completed service review | | | |
| Property management | | | | To commence service review |
| Sustainable Development | | | | |
| Economic development | | | To commence service review | |
| Strategic planning | | | To commence service review | |
| Urban planning | Completed service review | | | |
| Building services | | | | To commence service review |
| City design and place making | | Completed service review | | |
| Parking and local laws and compliance | | Completed service review | | |
| Environmental health | | | To commence service review | |
| Organisational Development and Business Transformation | | | | |
| Corporate planning and performance | | | | To commence service review |
| Learning and development | | Completed service review | | |
| Occupational health and safety | | Completed service review | | |

13

Statutory information

Information available for inspection

Section 222 of the *Local Government Act 1989* (the Act) entitles any person to inspect and take copies of (subject to any fee) prescribed documents. The following information is available at the Maribyrnong Council offices, corner Napier and Hyde streets, Footscray, during office hours:

- » Details of current allowances fixed for the Mayor and councillors under section 74 or 74A of the Act
- » The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year and set out showing the number of senior officers whose total annual remuneration falls within each \$10,000 range.
- » 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.
- » Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- » Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- » Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of the meetings which have been closed to members of the public in accordance with section 89 of the Act.
- » A list of all special committees established by Council and the purpose for which they were established.
- » A list of all special committees abolished or ceased to function during the financial year.
- » Minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of the meetings which have been closed to members of the public in accordance with section 89 of the Act.
- » A register of delegations kept under sections 87 and 98 of the Act, including the date on which the last reviews under section 98(6) of the Act took place.
- » Submissions received in accordance with section 223 of the Act during the previous 12 months.
- » Agreements to establish regional libraries under section 196 of the Act.
- » 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.
- » A register of authorised officers appointed under section 224 of the Act.
- » 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.
- » Agendas 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.
- » 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.
- » A list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more which Council entered into during the financial year without first engaging in a competitive process and that are not contracts referred to in section 186(5) of the Act.

Freedom of Information

The Freedom of Information Act 1982 provides the opportunity for public access to Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council. Council received 29 new applications under Freedom of Information for the period 1 July 2012 to 30 June 2013.

Contracts

Maribyrnong City Council did not enter into any contracts valued at more than \$150,000 other than through a competitive tendering process.

Local Laws

Local Laws current at the end of the financial year are:

Local Law No 5: Governance Local Law (2001) – including by reference Council's Code of Meeting Procedure

Local Law No 6: General Purposes Local Law (this local law took in elements of former Local Law No 1 (Environment Local Law) and Local Law No. 2 (Roads, Municipal Property and Council Land Local Law).

13 Statutory information

Whistleblowers Protection Act 2001/Protected Disclosure Act 2012

The *Whistleblowers Protection Act 2001* was introduced in January 2001 and repealed on 10 February 2013. It was replaced by the *Protected Disclosure Act 2012*, which came into effect on 10 February 2013.

Both Acts required Council to have an established procedure to facilitate the making of any disclosures, receipt and assessment of disclosures, measures to maintain confidentiality and protection against reprisals (detrimental action), and the welfare management of whistleblowers or witnesses.

Council has a nominated Protected Disclosure Coordinator, who is responsible for the initial assessment of an assessable disclosure made under the Acts. A copy of Council's Procedures have been available from Council's Protected Disclosure Coordinator and on Council's website throughout 2012-2013.

As required by Section 104 of the *Whistleblowers Protection Act 2001* (the Act), it is reported that:

- » Council has established procedures under Part 6 of the Act to deal with any disclosures made under the Act. These procedures were available to the public.
- » For the period 1 July 2012 to 10 February 2013, no protected disclosures were received by Council.
- » No protected disclosures were referred by Council to Ombudsman Victoria for determination as to whether they were public interest disclosures.
- » No public interest disclosures were referred to Council during the year by the ombudsman.

- » No public interest disclosures were referred by Council during the year to the ombudsman to investigate.
- » No investigations of disclosed matters were taken over by the ombudsman from Council during the year.
- » No requests were made under Section 74 of the Act to the ombudsman to investigate disclosed matters referred to Council.
- » There were no disclosed matters that Council declined to investigate during the year.
- » There were no disclosed matters substantiated on investigation and action taken on completion of investigation.
- » There were no recommendations of the ombudsman under the Act that relate to Council during this past year.

As required by Section 70 of the *Protected Disclosure Act 2012* (the Act), it is reported that:

- » Council has established procedures under Part 9 (Section 58) of the Act to deal with any disclosures made under the Act. These procedures are available to the public.
- » For the period 10 February 2013 to 30 June 2013, no disclosures were received by Council.
- » No assessable disclosures were referred by Council to IBAC under section 21(2) for determination as to whether they were protected disclosures or protected disclosure complaints during the financial year.
- » There were no disclosed matters substantiated on investigation or action taken on completion of investigation.
- » There were no recommendations of IBAC or other investigating entity under the Act that relate to Council during the financial year.



14

Council's performance 2012/2013

Annual indicators

| | | 2012-13 |
|---------------------|---|------------|
| Overall performance | Community satisfaction rating for overall performance of the Council | 6.59 |
| Advocacy | Community satisfaction rating for Council's advocacy and community representation on key local issues | 6.46 |
| Engagement | Community satisfaction rating for Council's engagement in decision making on key local issues | 6.62 |
| All rates | Average rates and charges per assessment | \$2,017.68 |
| Residential rates | Average residential rates and charges per assessment | \$1,609.23 |
| Operating costs | Average operating expenditure per assessment | \$2,919.45 |
| Capital expenditure | Average capital expenditure per assessment | \$336.05 |
| Infrastructure | Renewal gap | 84.66% |
| | Renewal and maintenance | 138.98% |
| Debts | Average liabilities per assessment | \$765.48 |
| Operating result | Operating result per assessment | \$230.24 |

14 Council's performance 2012/2013

14.1 Performance statement 2012-2013

Pursuant to Section 127(2d) of the Local Government Act 1989 Council must prepare a budget for each financial year that includes a list of separately identified key strategic activities Council will undertake during that year. This list of key strategic activities includes performance targets and measures, which will be assessed through an independent audit process and reported in Council's 2012/13 Annual Report.

The following lists Council's key strategic activities for 2012/2013.

| | Key Strategic Activities | Target Completion Date | Performance Measures | Achieved Yes / No | Achievements |
|-----|---|------------------------|--|-------------------|--|
| 1. | Complete detailed construction planning for new Library/Sports Centre at Braybrook. | June 2013 | Detailed construction planning completed for the new Braybrook Library/ Sports Centre. | YES | Detailed construction planning for the Braybrook Library/Sports Centre completed. Tender for construction to be awarded in September 2013. |
| 2. | Review and develop Library Services Plan. | June 2013 | The Library Services Plan completed. | YES | The Library Services Plan 2013-17 has been completed in June 2013. |
| 3. | Implement year 2 actions of Council's IT Strategy. | June 2013 | Year 2 actions implemented. | YES | Year 2 actions of Council's IT Strategy have been implemented including the finalisation of the tender for a new corporate information technology system. |
| 4. | Develop the Municipal Skate Park Strategy. | June 2013 | The Municipal Skate Park Strategy developed and approved by Council. | YES | The Municipal Skate Park Strategy has been developed in June 2013 and endorsed by Council. |
| 5. | Conduct the 2012 Annual Community Survey. | December 2012 | The 2012 Annual Community Survey completed and results presented to Council. | YES | The 2012 Annual Community Survey was completed and results presented to Council in December 2012. An Executive Summary was placed on Council's web page. |
| 6. | Implement Council's tree planting program. | June 2013 | A minimum of 750 trees planted across the municipality. | YES | Council's tree planning program was implemented by June 2013 with 950 street trees planted across the municipality. |
| 7. | Develop new Developer Contribution Plans. | June 2013 | The draft Developer Contribution Plans developed and presented to Council. | NO | The preparation of new Developer Contribution Plans has been deferred as it was not able to be developed until the State Government releases its final form and content of the new development contributions system. |
| 8. | Deliver 2012-13 Parks Improvement Plan. | June 2013 | 100% of the 2012-13 budgeted works completed. | YES | 100% of budget fully expended on a range of Parks and Reserves, in accordance with the 2012-13 Parks Improvement Plan. |
| 9. | Develop a new Council Plan 2013-17 and first year priority actions. | June 2013 | A new Council Plan 2013-17 and first year priority actions developed and adopted by Council. | YES | The new Council Plan 2013-17 and Annual Priority Action Plan 2013-14 have been developed and endorsed by Council on 25 June 2013. |
| 10. | Undertake Best Value Service Reviews in accordance with Council's Service Review 2012-13 program. | June 2013 | The Best Value service reviews completed in line with the agreed 2012-13 program. | YES | Best Value Service Review program has been rolled out in accordance with Council's Service Review 2012-13 program 12 teams participated in the review program, with 8 teams presenting their service review outcomes to the Executive Management Team. |

| | Key Strategic Activities | Target Completion Date | Performance Measures | Achieved Yes / No | Achievements |
|-----|---|------------------------|---|-------------------|---|
| 11. | Prepare a Masterplan for the Sunshine Road Corridor area with the aim of improving amenity, land use and urban design outcomes. | December 2012 | The Sunshine Road Corridor Masterplan developed and presented to Council. | YES | The Masterplan (Concept) Plan for the Sunshine Road Corridor has been developed and presented to Council. |
| 12. | In partnership with the Western Alliance for Greenhouse Action Councils develop a regional Climate Change Response Plan. | June 2013 | The draft Regional Climate Change Response Plan Completed. | YES | The regional Climate Change Response Plan has been finalised in June 2013 in partnership with the Western Alliance for Greenhouse Action Councils |
| 13. | Establish and relocate Council's Operations Centre to a new site in West Footscray. | December 2012 | Council's Operational Centre fully functional at its new location. | YES | Council's Operations Centre has been relocated to the new West Footscray site in December 2012, and is fully functional. |
| 14. | Develop a system for prioritising local traffic management works. | June 2013 | A system developed and implemented for prioritising local traffic management works. | NO | A system for prioritising traffic management works is in development. The full implementation of the system has been delayed due to the difficulties experienced in the collection of a large amount of required traffic and accident data. |
| 15. | Finalise implementation of the Organisation Structure review. | December 2012 | Organisational Structure Review implemented. | YES | The Organisational Structure review was completed and implemented by December 2012. |
| 16. | Implement Year 2 actions of the Footscray Integrated Marketing Strategy. | June 2013 | Year 2 actions implemented. | YES | Year 2 actions of the Footscray Integrated Marketing Strategy. Were implemented by June 2013 Examples include: » Footscray Food Map » Footscray Life magazine » Food Secrets media campaign » new design for footscraylife.com.au. |
| 17. | Implement Footscray Master Plan Year One actions. | July 2013 | The Footscray Master Plan Year One actions completed. | YES | The Footscray Master Plan Year One actions were implemented by June 2013. |
| 18. | Prepare draft planning amendment for the Footscray Central Activities Area for Ministerial authorisation. | March 2013 | A draft planning amendment for the Footscray Central Activities Area completed. | YES | A draft planning amendment for the Footscray Central Activities Area was prepared for Ministerial authorisation in March 2013. |

Council Approval of the Performance Statement

In our opinion the accompanying performance statement of the Maribyrnong City Council in respect of the 2012/13 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 business plan in respect of that year described in Council's corporate plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

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.



Michael Clarke

Councillor
17 September 2013
Footscray



Cameron McDonald

Councillor
17 September 2013
Footscray

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Maribyrnong City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Maribyrnong City Council which comprises the statement and the council approval of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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.

Auditor's Opinion

In my opinion, the performance statement of the Maribyrnong City Council in respect of the 30 June 2013 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 Maribyrnong City Council for the year ended 30 June 2013 included both in the Maribyrnong City Council's annual report and on the website. The Councillors of the Maribyrnong City Council are responsible for the integrity of the Maribyrnong City Council's website. I have not been engaged to report on the integrity of the Maribyrnong City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
20 September 2013


John Doyle
Auditor-General



Audit Committee Annual Report for year ending 30 June 2013

The "Terms of Reference" Clause 2.4 Reporting, of the Maribyrnong City Council Audit Committee Charter, state that the Audit Committee shall:

"report annually to the Council summarising the activities of the Committee during the previous financial year"

Meetings

The Committee met six times during the period under review, on the following dates:

21 August 2012
2 October 2012
22 January 2013
19 February 2013
23 April 2013
18 June 2013

Meeting Attendance

Each Committee meeting was conducted with at least a quorum (2 members of a total of 4). At least one independent member and one Councillor were present at each meeting.

| Members | Eligible to Attend | Attended |
|--|--------------------|----------|
| Cr. John Cumming, Mayor | 2 | 2 |
| Cr Dina Lynch, Member | 2 | 2 |
| Cr Cameron McDonald, Member | 4 | 4 |
| Cr Michael Clarke, Member | 6 | 3 |
| Alan Hawkes, Chairman (Resigned Sept 2012) | 1 | 1 |
| Linda MacRae, Chair | 6 | 6 |
| Mark Anderson, Independent Member (Appointed Sept 2012) | 5 | 5 |

The Chief Executive Officer and members of the executive management team (EMT), Finance Manager and Management Accountant were regularly in attendance. At least one representative from the Internal Auditors, McLean Delmo, was also in attendance at each meeting. During the year DFK Collins were appointed internal auditors.

The External Auditors – VAGO attended the 21 August 2012 meeting to discuss the 2011/12 Annual Financial Statements.

Other senior officers of the Council were in attendance at Audit Committee meetings, as required when specific matters or reports were under discussion.

Independent Members

The independent members have appropriate financial and industry expertise. All independent members are financially literate and have an appropriate knowledge of the operation of the Council.

In accordance with the Audit Committee Charter 2.2 (d) Membership. "Appointment of external persons shall be made by Council for a minimum term of three years. Appointments of external persons will be for a maximum of seven years. The term of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives". Allan Hawkes completed his seven year term as Chair of the Committee in September 2012 and I would like to thank Alan for his significant contribution to the Committee. His professionalism and knowledge enabled the Committee to achieve objective outcomes relating to the many issues raised during the period of his chairmanship. Mark Anderson was appointed to the Committee in September 2012. Ms. MacRae was appointed to the Committee in April 2006 and assumed the role of Chair in September 2012.

Duties and Responsibilities

It is considered that the Duties and Responsibilities, as detailed in Sub-section 2.5 (o) (i) to (xvii) inclusive of the Audit Committee's Terms of Reference were adequately fulfilled during the review period. The following were the reports considered by the Committee:

Internal Audit Reports Considered

The following Internal Audit Reports were presented by the Internal Auditors – McLean Delmo (MD) – to the Audit Committee for consideration and comment.

- » Review of Council's Asset Management Processes and Procedures.
- » Review Council's Aged Care Service processes and procedures.
- » Review Council's Planning Processes and Procedures.
- » Review of outstanding and implemented recommendations from previous reports.

- » Review of Audit Committee Performance
- » Review Councils Boarding Houses Risk
- » Review Council's fraud detection and reporting processes.
- » Review contract management and tendering processes and procedures.
- » Initial risk assessment and development of a draft three year internal audit strategy.

Following an advertising period DKF Collins have been appointed as Councils Internal Auditors commencing May 2013.

External Audit Reports

- » 2011/2012 Financial Statements and Performance Statements.
- » VAGO Final Management Letter – Financial Audit 2011/2012.
- » Audit strategy for the financial year ending 30 June 2013.
- » VAGO Interim Management Letter.

Other Regular & Special Reports

- » Overdue Debtors Reports.
- » Review of Council's Risk Management frame work and implementation of the monitoring processes.
- » Update of Road Management Plan.
- » Update on the current situation of Boarding/Rooming Houses in the municipality.
- » Internal Audit Plan 2012 – cost.
- » Status Report - Contamination of Maribyrnong Land and Buildings.
- » Overdue Annual Leave Report.
- » Audit Committee Charter.
- » Delegation of legal costs.
- » Money in transit Insurance.
- » Internal Audit Contract.
- » Dangerous Dog Legislation.
- » Introduction of new Internal Auditors.
- » Pending legal action (property).

- » Business Transformation.
- » Business Continuity Plan.
- » Fraud and Corruption Control Actions.
- » Review of Council's Risk Mgmt Framework & Implementation of the Monitoring Processes.
- » Council's Road Management Plan.
- » Business Transformation – high level implementation plan.
- » Fire Services Levy.

General Comments

I thank the Committee for its support of me as Chair. It has been my privilege to undertake this role. I thank my fellow Audit Committee Members, Councillors and Independent members for their participation, diligence, professionalism and contribution throughout 2012/2103.

The Committee was professionally supported by The Chief Executive Officer, the Manager Finance and other Senior Staff throughout the year.

The contribution of the Internal and External Auditors, Committee Members and Senior Staff facilitated a productive year for the Committee with the outcomes adding value to the overall management of Council's financial and risk responsibilities.



Linda MacRae

**Independent Audit Committee Member & Chair
Maribyrnong City Council Audit and Risk Committee**

16

Finance Report

Financial Overview

Council's finances continue to be guided by the Long Term Financial Plan which was first implemented in July 2000. This Plan is reviewed annually as a part of the Council planning process and updated to reflect changing circumstances.

Council's investments are currently held with the four major banks and 1 community bank.

The Long Term Financial Plan was initially used as a tool to ensure the management of Council's debt. Council's outstanding debt has reduced from \$33.019 million in June 2000 to \$4.895 million in June 2013.

This report provides an overview of the major results portrayed in Council's Financial Statements for the year ended June 30 2013.

Surplus (Deficit) For The Period

The surplus (deficit) for the reporting period represents accrual accounting treatments which includes depreciation but excludes expenditure on capital items, loan repayments and transfers to and from reserves. Council budgeted for a \$8.046 million surplus in the 2012/13 financial year and has achieved a \$8.075 million surplus.

There were no major variances during the 2012/13 financial year.

This surplus is reported in the Comprehensive Income Statement as presented in the Annual Financial Report.

Capital Expenditure

Council's capital expenditure for the 2012/13 financial year was \$11.786 million. A further \$7.563 million has been expended on assets but not capitalised.

Cash Holdings

Council's cash & investments on hand at 30 June was \$52.291 million an increase over the previous financial year of \$2.091 million. This increase is mainly made up of Government funding advance to Council prior to the end of the Financial Year. These grants will be expended on projects and programs to occur in the 2013/14 year. The other major component is the increase in reserves.

The level of Council's cash and investments has seen the continuance of the Major Projects Program and all reserves and provisions being fully funded.

Assets – Property, Plant & Equipment

The level of Council assets has reduced by \$5.680 million. The major cause of this decrease is Council's requirement to depreciate its assets at an increase level following the 2011/2012 revaluation of all its property and infrastructure.

Outstanding Debtors (Receivables)

Council's debtors have increased by \$914,000. This is seen as a moderate increase given the impact of the global financial crisis.

Borrowings

Council has not borrowed during the financial year, and repayments have occurred in line with Council's commitments. The outstanding amount at the end of the financial year was \$4.895 million.

Working Capital & Liquidity

The Working Capital Ratio or Liquidity position is a ratio of 2.90:1 at June 30th 2013, compared to 1.87:1 at June 30th 2012. This ratio is used to assess Council's ability to meet its current liabilities, by using its current assets. The ratio indicates \$2.90 of current assets for every \$1.00 of current liabilities. The current position is seen to be adequate and provide Council with an opportunity to pursue its major projects program in the future.

18 A Guide to the Financial Statements

Council prepares the Financial Statements and follows a statutory approvals process as set out in the Local Government Act 1989. The Financial Statements are based on requirements set out in the Act, Australian Accounting Standards and the Local Government Model Accounts. To produce these Statements the following processes have been undertaken:

- » Council's Audit Committee met to consider the draft statements and the preliminary recommendation made by the external Auditor.
- » The Audit Committee was satisfied to recommend that the statements be approved.
- » Two Councillors were authorised to certify the statements in their final form.
- » The Statements were then submitted to the Auditor General for review and certification.
- » The Financial, Standard and Performance Statements and all other parts of the Annual Report are required to be lodged with the Minister for Local Government prior to 30 September annually.

For the 2012/13 financial year, Maribyrnong City Council has received a clear audit of its Financial Statements.

Financial Statements

The four main Statements are the Comprehensive Income Statement, the Balance Sheet, the Statement of Changes in Equity and the Cash Flow Statement. The notes detail Council's accounting policies and the make-up of values contained in the Statements. The notes should be read in conjunction with the four main statements.

Comprehensive Income Statement

The Comprehensive Income Statement shows the sources of Council's revenue received and the expenditure incurred, under various headings, over the year.

Balance Sheet

The Balance Sheet Statement is a one-page snapshot of the financial situation as at 30 June 2013. It shows what the Council owns as assets and what it owes as liabilities. The bottom line of this Statement is net assets. This is the Council's net worth, which has been built up over many years.

Statement of Changes in Equity

Over the year the value of total equity as set out in the Balance Sheet changes. The Statement of Changes in Equity shows the movement in equity from the profit or loss from operations, the use of monies to and from Council's reserves and the revaluation of fixed assets.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year.

Standard Statements

The Local Government Act 1989 also requires Council to produce the Standard Statements. The Standard Statements provide four statements; Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and Standard Statement of Capital Works.

The Standard Statements provide a comparison between the actual results for the year and the budget that was set at the start of the year. All major differences are explained in the accompanying notes.



Maribyrnong City Council Financial Report

For the Year Ended 30 June 2013

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Maribyrnong City Council
Financial Report
For the Year Ended 30 June 2013

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16 Finance Report

Maribyrnong City Council **Notes to the Financial Report** For the Year Ended 30 June 2013

Certification of the Financial Report

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.



Bryan Stone CPA
Principal Accounting Officer
17 September 2013
Footscray

In our opinion, the accompanying financial statements presents fairly the financial transactions of the Maribyrnong City Council for the year ended 30 June 2013 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 report to be misleading or inaccurate.

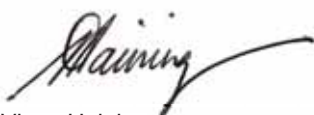
We were authorised by Council on the 27 August 2013 to certify the financial report in its final form.



Michael Clarke
Councillor
17 September 2013
Footscray



Cameron McDonald
Councillor
17 September 2013
Footscray



Vince Haining
Chief Executive Officer
17 September 2013
Footscray

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Maribyrnong City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2013 of the Maribyrnong City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Maribyrnong City Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Maribyrnong City Council for the year ended 30 June 2013 included both in the Maribyrnong City Council's annual report and on the website. The Councillors of the Maribyrnong City Council are responsible for the integrity of the Maribyrnong City Council's website. I have not been engaged to report on the integrity of the Maribyrnong City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
20 September 2013


John Doyle
Auditor-General

Maribyrnong City Council
Comprehensive Income Statement

For the Year Ended 30 June 2013

| | Note | 2013 \$'000 | 2012 \$'000 |
|---|-------|----------------|----------------|
| Income | | | |
| Rates and charges | 2 | 70,764 | 65,634 |
| Statutory fees and fines | 3 | 10,102 | 8,858 |
| User fees | 4 | 11,085 | 9,844 |
| Contributions - cash | 5 (a) | 1,737 | 1,603 |
| Contributions - non-monetary assets | 5 (b) | 356 | 16,742 |
| Grants - Operating (recurrent) | 6 (a) | 8,971 | 9,711 |
| Grants - Operating (non-recurrent) | 6 (b) | 101 | 87 |
| Grants - Capital (recurrent) | 6 (c) | 662 | 777 |
| Grants - Capital (non-recurrent) | 6 (d) | 2,940 | 469 |
| Other income | 7 | 3,748 | 5,618 |
| Total income | | 110,466 | 119,343 |
| Expenses | | | |
| Employee costs | 8 | 45,195 | 51,195 |
| Materials and services | 9 | 37,411 | 38,480 |
| Bad and doubtful debts | 10 | 1,223 | 1,473 |
| Depreciation and amortisation | 11 | 13,922 | 11,711 |
| Finance costs | 12 | 320 | 548 |
| Other expenses | 13 | 933 | 729 |
| Net loss on disposal of property, plant and equipment, infrastructure | 14 | 3,387 | 1,875 |
| Total expenses | | 102,391 | 106,011 |
| Surplus | | 8,075 | 13,332 |
| Other comprehensive income | | | |
| Net asset revaluations increment | 23(a) | - | 67,305 |
| Total comprehensive result | | 8,075 | 80,637 |

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

Maribyrnong City Council

Balance Sheet

As at 30 June 2013

| | Note | 2013 \$'000 | 2012 \$'000 |
|---|--------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 15 | 52,291 | 50,198 |
| Trade and other receivables | 16 | 7,628 | 6,714 |
| Other assets | 17 | 871 | 1,058 |
| Total current assets | | 60,790 | 57,970 |
| Non-current assets | | | |
| Trade and other receivables | 16 | 72 | 87 |
| Property, plant and equipment, infrastructure | 18 | 851,394 | 857,074 |
| Total non-current assets | | 851,466 | 857,161 |
| Total assets | | 912,256 | 915,131 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 19 | 6,339 | 16,787 |
| Trust funds and deposits | 20 | 2,938 | 3,097 |
| Provisions | 21 | 11,014 | 10,544 |
| Interest bearing loans and borrowings | 22 | 695 | 654 |
| Total current liabilities | | 20,986 | 31,082 |
| Non-current liabilities | | | |
| Provisions | 21 | 1,661 | 1,821 |
| Interest bearing loans and borrowings | 22 | 4,200 | 4,894 |
| Total non-current liabilities | | 5,861 | 6,715 |
| Total liabilities | | 26,847 | 37,797 |
| Net Assets | | 885,409 | 877,334 |
| Equity | | | |
| Accumulated surplus | | 274,998 | 275,193 |
| Other reserves | 23 | 35,230 | 26,960 |
| Asset revaluation Reserve | 23 (a) | 575,181 | 575,181 |
| Total Equity | | 885,409 | 877,334 |
| Commitments for expenditure | 28 | | |
| Contingent liabilities and contingent assets | 30 | | |

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

Maribyrnong City Council
Statement of Changes in Equity
For the Year Ended 30 June 2013

| | Note | Total 2013 \$'000 | Accumulated Surplus 2013 \$'000 | Revaluation Reserve 2013 \$'000 | Other Reserves 2013 \$'000 |
|---|--------|-------------------------|--|--|-------------------------------------|
| 2013 | | | | | |
| Balance at beginning of the financial year | | 877,334 | 275,193 | 575,181 | 26,960 |
| Total comprehensive result | | 8,075 | 8,075 | - | - |
| Transfers from other reserves | 23 (b) | - | 7,509 | - | (7,509) |
| Transfers to other reserves | 23 (b) | - | (15,779) | - | 15,779 |
| Balance at end of the financial year | | 885,409 | 274,998 | 575,181 | 35,230 |
| 2012 | | | | | |
| | | Total 2012 \$'000 | Accumulated Surplus 2012 \$'000 | Revaluation Reserve 2012 \$'000 | Other Reserves 2012 \$'000 |
| Balance at beginning of the financial year | | 796,697 | 272,495 | 507,876 | 16,326 |
| Total comprehensive result | | 80,637 | 13,332 | 67,305 | - |
| Transfers from other reserves | 23 (b) | - | 837 | - | (837) |
| Transfers to other reserves | 23 (b) | - | (11,471) | - | 11,471 |
| Balance at end of the financial year | | 877,334 | 275,193 | 575,181 | 26,960 |

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

Maribyrnong City Council

Statement of Cash Flows

For the Year Ended 30 June 2013

| | | 2013 Inflows/ (Outflows) \$'000 | 2012 Inflows/ (Outflows) \$'000 |
|---|-------------|--|--|
| Cash flows from operating activities | Note | | |
| Rates and charges | | 70,426 | 65,782 |
| Statutory fees and fines | | 8,094 | 6,306 |
| User fees | | 12,346 | 11,259 |
| Contributions - cash | | 1,737 | 1,603 |
| Grants - Operating (recurrent) | | 8,971 | 9,710 |
| Grants - Operating (non-recurrent) | | 101 | 777 |
| Grants - Capital (recurrent) | | 662 | 88 |
| Grants - Capital (non-recurrent) | | 2,940 | 469 |
| Interest on cash assets | | 2,294 | 2,593 |
| Other income | | 1,610 | 3,956 |
| Net GST refund | | 3,632 | 3,765 |
| Employee costs | | (53,028) | (43,716) |
| Materials and services | | (40,800) | (40,039) |
| External contracts | | (1,903) | (2,617) |
| Utilities | | (1,650) | (1,372) |
| Other expenses | | (933) | (414) |
| Net cash provided by (used in) operating activities | 24 | 14,498 | 18,150 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 36 | (11,786) | (11,163) |
| Proceeds from sale of property, infrastructure, plant and equipment | 14 | 514 | 3,834 |
| Net cash (used in) investing activities | | (11,272) | (7,329) |
| Cash flows from financing activities | | | |
| Finance costs | | (320) | (548) |
| Trust funds and deposits | | (159) | 512 |
| Repayment of borrowings | | (654) | (4,153) |
| Net cash (used in) financing activities | | (1,133) | (4,189) |
| Net increase (decrease) in cash and cash equivalents | | 2,093 | 6,632 |
| Cash and cash equivalents at the beginning of financial year | | 50,198 | 43,566 |
| Cash and cash equivalents at the end of the financial year | 15 | 52,291 | 50,198 |
| Financing arrangements | 25 | | |
| Restrictions on cash assets | 26 | | |

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

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Introduction

The Maribyrnong City Council ("the Council") was established by an Order of the Governor in Council on 15th December 1994 and is a body corporate. The Council's main office is located at the corner of Napier and Hyde Streets Footscray.

The purpose of the Council is to:

- provide for the peace, order and good governance of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that the 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 the 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 - DFK Collins
Solicitors - Maddocks
Bankers - Commonwealth Bank of Australia
Website - www.maribyrnong.vic.gov.au

This financial report is a general purpose financial report that consists of an Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows 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.

Maribyrnong City Council **Notes to the Financial Report** For the Year Ended 30 June 2013

Note

1 Significant accounting policies

(a) Basis of accounting

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

The financial report has also been prepared under the historical cost convention except where specifically stated in the notes. Cost is based on the fair value of the consideration given in exchange for assets.

Unless otherwise stated, all accounting policies applied 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 material changes to comparatives.

(b) Changes in accounting policies

There were no changes in accounting policy during the financial year.

(c) Revenue recognition

Rates, grants and contributions

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

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

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

Control over contributed non monetary 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 the condition that they would be expended in a particular manner, or used over a particular period and those conditions were undischarged as at balance date, the unused grant or contribution is disclosed in note 6(e). 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.

Contributed non monetary assets, in the form of land, roads, drains, footpaths etc, which are received as a condition of development, have been recognised as revenue.

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.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

1 Significant accounting policies (continued)

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 and equipment, infrastructure

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

(d) Trade and other receivables

Receivables are carried at their nominal value. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

Interest

Interest is recognised as it is earned.

(e) Depreciation of property, plant and equipment, infrastructure

Building, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with the 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 on the residual useful life as determined each year.

Major depreciation periods are listed in note 1(h) and are consistent with prior year unless otherwise stated.

(f) 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 and adds to the fair value to the asset, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

Note

1 Significant accounting policies (continued)

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. This includes interest on bank overdrafts, interest on borrowings and finance lease charges.

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the 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 arms 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 18. In accordance with Council's policy, the threshold limits and useful lives detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

| Class of Asset | Threshold Limit | Depreciation period |
|-------------------------------|-----------------|---------------------|
| | 2013 \$'000 | 2013 |
| Property | | |
| Land | 10 | n/a |
| Land under roads | 20 | n/a |
| Buildings* | 10 | 50-100 years |
| Leasehold improvements | 10 | 5 years |
| Plant and Equipment | | |
| Plant & machinery | 5 | 2-10 years |
| Equipment & computers | 1 | 3-6 years |
| Library books* | 1 | 1-8 years |
| Infrastructure Assets | | |
| Road Base | 20 | 80 years |
| Road Pavement | 20 | 25 years |
| Kerb and Channel | 10 | 50 years |
| Bridges | 50 | 80 years |
| Car parks | 10 | 20 years |
| Footpaths and cycleways | 10 | 50 years |
| Drainage | 10 | 100 years |
| Street furniture & equipment* | 10 | 5-30 years |

* Dependent upon materials used in construction and usage.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

1 Significant accounting policies (continued)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than land under roads, leasehold improvements, plant and equipment, and street furniture and equipment 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 differs from the fair value the assets class was revalued.

In addition, Council undertakes a formal revaluation of land, buildings and major infrastructure assets on a regular basis from 2 to 5 years depending on any material changes to fair value. The valuation is performed either by experienced Council officers or independent experts.

Where 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 and shown in the Comprehensive Income statement.

Land under roads

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

(i) Cash and cash equivalents

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

(j) Investments

Investments, other than investments in associates, are measured at cost.

Maribyrnong City Council **Notes to the Financial Report** For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

(k) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 20).

(l) Employee costs

Wages and salaries

Liabilities for salaries & wages and accrued 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 service provided by employees up to balance date. Annual leave is expected to be paid within 12 months and is measured at its nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

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 present value of the estimated future cash outflows to be made for these accrued entitlements. Department of Treasury and Finance rates are used for discounting future cash flows.

Classification of employee costs

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.

Superannuation

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

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

Retirement Gratuities

Retirement gratuities were provided to certain employees who joined the Council prior to 8 December 1994 and their entitlements were frozen as at 14 December 2000. The liability represents a set proportion based on years of service that is payable on termination. At balance date, the liability is measured at the present value of the estimated future cash flows to be made for this entitlement.

(m) Leases

Operating Leases

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

(n) 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 twelve 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.

(o) 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 'as incurred' basis.

(p) Web site costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part 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 net basis where appropriate, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Rounding

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

Maribyrnong City Council **Notes to the Financial Report** For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

(s) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's 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.

(t) 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 expensed, 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 the Council in the event of default.

(u) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value in Note 28 and inclusive of GST payable.

(v) Critical accounting estimates and judgements

In the application of the Australian Accounting Standards, management is required to make judgements, estimates and assumptions about carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that may have a financial or disclosure impact on the Council and are believed to be reasonable under the circumstances.

Critical accounting judgements

Critical judgements that management has made in the process of applying the Council's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of non-financial assets

The Council assesses impairment of all assets at each reporting date by evaluating conditions to the Council and to the particular asset that may lead to impairment. These include obsolescence or physical damage, technology, economic and political environments and the future income expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

(w) Pending Accounting Standards

| Pronouncement | What's new? | Impact/Action | Transition | Effective date |
|------------------------------|--|---|---|--|
| AASB 9 Financial Instruments | AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are: | The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed. | Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives. | Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013). |

- Amortised cost – those assets with 'basic' loan features'.
- Fair value through other comprehensive income – this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).
- Fair Value through profit and Loss – everything that does not fall into the above two categories.

The following changes also apply:

- Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.
- There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.
- Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

(w) Pending Accounting Standards

| Pronouncement | What's new? | Impact/Action | Transition | Effective date |
|---|--|--|---|--|
| AASB 10 Consolidated Financial Statements | The standard introduces a single model of control, which is used to determine whether an investee must be consolidated. The existence of control is determined based on: | The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights. While the effects of this standard are not expected to be significant in the local government sector, | Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously. | Periods beginning on or after 1 January 2013 |
| | <ul style="list-style-type: none"> Power to direct the activities of an investee (irrespective of whether such power is exercised). Exposure, or rights, to variable returns from its involvement with the investee. The ability to use its power over the investee to affect the amount of the investor's returns. | there may be some increase in the number of entities required to be consolidated as subsidiaries. | | |
| AASB 11 Joint Arrangements | AASB 11 classifies all joint arrangements as either <i>joint operations</i> or <i>joint ventures</i> : | The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils. | Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously. | Periods beginning on or after 1 January 2013 |
| | <ul style="list-style-type: none"> Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement. Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see following). | | | |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

(w) Pending Accounting Standards

| Pronouncement | What's new? | Impact/Action | Transition | Effective date |
|---|---|--|---|--|
| AASB 12 Disclosure of Involvement with Other Entities | AASB 12 requires the disclosure of information to enable users to evaluate the nature of, and risks associated with, its interests in other entities and The effect of those interests on its financial position, financial performance, and cash flows. AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories: | The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in. | Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously. | Periods beginning on or after 1 January 2013 |
| | <ul style="list-style-type: none"> Significant judgments and assumptions, including how control, joint control, or significant influence has been determined. Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks. Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks. Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks. | | | |
| AASB 13 Fair Value Measurement | AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements: | The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standards may assist those councils that have equity investments that are no longer able to be held at cost. | Early adoption is permitted. | Periods beginning on or after 1 January 2013 |
| | <ul style="list-style-type: none"> Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. | | | |

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

Note

1 Significant Accounting Policies (continued)

(w) Pending Accounting Standards

| Pronouncement | What's new? | Impact/Action | Transition | Effective date |
|---|--|---|--|--|
| AASB 127 Separate Financial Statements | AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 <i>Consolidated Financial Statements</i> (see above). It now deals only with the preparation of separate company financial statements. | Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost, or in accordance with AASB 9 <i>Financial Instruments</i> . These changes are not expected to impact significantly on Councils. | Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously. | Periods beginning on or after 1 January 2013 |
| AASB 128 Investments in Associates and Joint Ventures | AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 <i>Consolidated Financial Statements</i> and AASB 11 <i>Joint Arrangements</i> . The standard sets out how the equity method of accounting is to be applied, defines "significant influence," and how impairment is to be tested for investments in associates or joint ventures. | Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates. These changes are not expected to impact significantly on Councils. | Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously. | Periods beginning on or after 1 January 2013 |
| AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements. | The standards require the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called "corridor" method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. | The Council is yet to assess its full impact. | Where adequate information is available, the entity will apply the new standard from 1 July 2013 when the new standard applies to the City of Maribyrnong. | 1 January 2013 / 1 July 2013. |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|------|----------------|----------------|
|------|----------------|----------------|

2 Rates and charges

Council uses Net Annual Value (NAV) as the basis of valuation of all properties within the municipal district. The NAV of a property is the value of the rent at which the land might reasonably be expected to return.

The valuation base used to calculate general rates for 2012/13 was \$1,045,857 million (2011/12, \$973,611 million). The 2012/13 rate in the NAV dollar was 6.6411 cents (2011/12, 6.6888 cents).

Number of assessments for 2012/13 rate strike

| | | | |
|-----------------------------------|---------------|---------------|---------------|
| Residential | 31,556 | 50,781 | 46,940 |
| Commercial | 2,435 | 11,460 | 11,164 |
| Industrial | 1,081 | 6,837 | 6,655 |
| Supplementary rates & adjustments | | 1,686 | 875 |
| Total rates and charges | 35,072 | 70,764 | 65,634 |

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 applied to the rating period commencing 1 July 2012.

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

3 Statutory fees and fines

| | | |
|---------------------------------------|---------------|--------------|
| Permits | 1,957 | 1,778 |
| Fees | 350 | 579 |
| Infringements & costs | 6,427 | 5,644 |
| Magistrates | 30 | 30 |
| Fines other | 14 | 46 |
| Infringement recovery costs | 329 | 120 |
| PINS infringements added | 995 | 661 |
| Total statutory fees and fines | 10,102 | 8,858 |

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|--|----------------|----------------|
| 4 User fees | | |
| Certificates | 133 | 127 |
| Customer service requests | 377 | 350 |
| Fees - Aged, Aquatic & Cemetery | 1,439 | 1,338 |
| Fees - HAAC, MAC, Green waste & Occasional care | 3,289 | 3,046 |
| Permanent Bookings - Health & fitness | 1,273 | 1,303 |
| Casual Bookings - Ticket machines & Parking meters | 3,664 | 3,004 |
| Fees other | 6 | 3 |
| Plant hire | 366 | 356 |
| Miscellaneous fees | 53 | 45 |
| *Mausoleum fees | 6 | 16 |
| Environmental charge | 11 | 12 |
| Sale of information | 353 | 119 |
| Product sales | 115 | 125 |
| Total user fees | 11,085 | 9,844 |

*The Mausoleum trust was set up in 1999 to provide for the future maintenance of the cemetery in the long term over 10 to 15 years. The full amount received to date of \$574,452 has been set aside to Reserves (\$568,332 at 30 June 2012).

5 Contributions

(a) Contributions - cash

| | | |
|-----------------------------------|--------------|--------------|
| Developer contributions | 499 | 348 |
| Open space contributions | 1,238 | 1,219 |
| Other cash contributions | - | 36 |
| Total contributions - cash | 1,737 | 1,603 |

Conditions on contributions

Contributions recognised as revenues during the year and were obtained on the condition that they be expended in a specific manner.

(b) Contributions - non-monetary assets

| | | |
|--|--------------|---------------|
| Land | - | 15,803 |
| Roads & bridges | 325 | 680 |
| Footpaths and cycle ways | 31 | 259 |
| Total contributions - non - monetary assets | 356 | 16,742 |
| Total contributions | 2,093 | 18,345 |

Non monetary assets contributed include roads, drains, footpaths and parks which may be created in the construction of large scale residential developments. On completion of the development they are donated to the City for ongoing maintenance and replacement. Contributed assets are valued at their current replacement cost of \$355,655 in 2013 (\$16,742,567 in 2012).

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| 6 Grants | | |
| Grants were received in respect of the following: | | |
| Summary of grants | | |
| Federally funded grants | 2,182 | 2,970 |
| State funded grants | 10,492 | 8,074 |
| Total grants | 12,674 | 11,044 |
| (a) Grants - Operating (recurrent) | | |
| Federal aged care grants | 1,153 | 1,001 |
| Federal early years grants | 559 | 657 |
| HACC | 2,760 | 2,686 |
| Victorian Grants Commission | 2,400 | 3,084 |
| Prevention violence | 120 | 195 |
| Public health & planning | 150 | 280 |
| School crossing | 135 | 127 |
| Metro access | 111 | 108 |
| Library | 484 | 445 |
| Best start | 154 | 164 |
| Maternal clinical | 585 | 535 |
| Enhanced home visiting | 117 | 108 |
| Other minor granted revenues | 243 | 321 |
| Total Operating (recurrent) | 8,971 | 9,711 |
| (b) Grants - Operating (non-recurrent) | | |
| Other granted revenues | 101 | 87 |
| Total Operating (non-current) | 101 | 87 |
| Total Operating grants | 9,072 | 9,798 |
| (c) Grants - Capital (recurrent) | | |
| Commonwealth Roads to Recovery | 430 | 545 |
| Victorian Grants Commission | 232 | 232 |
| Total Capital (recurrent) | 662 | 777 |
| (d) Grants - Capital (non-recurrent) | | |
| Clare court early years hub | 176 | - |
| Skinner reserve pavilion | 260 | - |
| Braybrook community hub | 2,150 | - |
| Stormwater harvesting irrigation | 73 | 240 |
| Other granted revenues | 281 | 229 |
| Total Capital (non-current) | 2,940 | 469 |
| Total Capital grants | 3,602 | 1,246 |
| Total Grants | 12,674 | 11,044 |

16 Finance Report

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|--|----------------|----------------|
| 6 Grants (continued) | | |
| (e) Conditions on Grants | | |
| Grants recognised as revenue during the year and obtained on the condition that they be expended in a specific manner that had not occurred at balance date were: | | |
| YMCA (RecWest) redevelopment | 200 | 200 |
| Kindersmith redevelopment | 90 | - |
| Gender Equity | 114 | 116 |
| Closed Circuit Television - Public safety cameras | 27 | 83 |
| Healthy communities | 37 | 194 |
| Braybrook refugee employment | 45 | - |
| Management establishment | 50 | - |
| Raleigh road | 25 | - |
| Personal care | 28 | - |
| Minicipal planning | 20 | - |
| Best start | 13 | 104 |
| Immunisation | 21 | - |
| Greening Footscray / Street tree planting | 200 | 200 |
| Railway reserve | 851 | 866 |
| Corridors of green | 5 | - |
| Public lighting | 18 | - |
| Footscray park | 90 | - |
| Braybrook Hub | 2,150 | - |
| Road improvement program | 227 | - |
| Climate change | 19 | - |
| VGC | 1,271 | 1,482 |
| Fire serve grant | 35 | - |
| Storm water harvesting | - | 240 |
| MAC waterslide & backwash | - | 103 |
| MAC backwash | - | 100 |
| Despatch Centre | - | 297 |
| Other misc. programs | 156 | 373 |
| Net increase (decrease) in restricted assets resulting from grant revenue for the year: | 5,692 | 4,358 |
| Grants were recognised as revenues, these have been expensed in the year following their receipt, except for those shown with balances carried forward to this year. | | |
| 7 Other income | | |
| Wage recoveries | 4 | 2 |
| Facility costs recoveries | 240 | 2,166 |
| Workcover & misc. recoveries | 721 | 245 |
| Other cost recoveries | 10 | 5 |
| Interest on rates | 249 | 219 |
| Interest on cash assets | 2,138 | 2,593 |
| Council facilities (permanent bookings) | 304 | 274 |
| Sponsorship, donations & other | 82 | 114 |
| Total other income | 3,748 | 5,618 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|------------------------|------------------------|
| 8 Employee costs | | |
| Wages & salaries | 43,737 | 42,292 |
| Employee costs | 634 | 555 |
| Redundancy costs | 606 | 21 |
| Fringe benefits tax | 218 | 179 |
| *Unfunded liability (UFL) for superannuation call | - | 8,148 |
| Total employee benefits | 45,195 | 51,195 |
| *During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet our obligations in relation to members of the defined benefit plan. | | |
| 9 Materials and services | | |
| Non capitalised major project expenses | 7,563 | 10,542 |
| External contract services | 1,903 | 2,617 |
| Consultants | 2,311 | 1,658 |
| Legal expenses | 449 | 765 |
| Maintenance costs | 1,497 | 1,171 |
| Insurances | 857 | 867 |
| Public lighting & electricity | 874 | 787 |
| Community contributions | 1,432 | 1,275 |
| Vehicle & Plant costs | 1,012 | 1,016 |
| Equipment & maintenance | 2,737 | 2,320 |
| Computer & communications | 3,047 | 2,889 |
| General expenses, postage, printing & other | 1,635 | 1,512 |
| Tip & refuse collections | 3,846 | 3,761 |
| Fire brigade levy | 959 | 971 |
| Memberships and subscriptions | 287 | 285 |
| Fees, Vic roads, Perin costs, other fees & charges | 1,313 | 1,890 |
| Materials | 1,680 | 1,188 |
| Library services | 74 | 63 |
| General supplies | 817 | 300 |
| Travel costs | 6 | 4 |
| Utilities | 1,650 | 1,372 |
| Property costs | 569 | 409 |
| Office cleaning | 427 | 418 |
| Cash collection & bank fees | 466 | 400 |
| Total materials and services | 37,411 | 38,480 |

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Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| 10 Bad and doubtful debts | | |
| Infringement debtors | 1,220 | 1,429 |
| Other debtors | 3 | 44 |
| Total bad and doubtful debts | 1,223 | 1,473 |
| 11 Depreciation and amortisation | | |
| Leasehold improvements | 225 | - |
| Building | 2,257 | 2,107 |
| Plant & machinery | 913 | 997 |
| Equipment & telecomputers | 739 | 487 |
| Library books | 282 | 478 |
| Roads & bridges | 5,981 | 4,012 |
| Footpaths & cycleways | 1,444 | 1,259 |
| Drainage | 1,335 | 1,176 |
| Street furniture & equipment | 746 | 1,195 |
| Total depreciation and amortisation | 13,922 | 11,711 |
| 12 Finance costs | | |
| Interest - borrowings | 320 | 548 |
| Total finance costs | 320 | 548 |
| 13 Other expenses | | |
| Councillors' allowances | 217 | 215 |
| Other miscellaneous | 7 | 3 |
| Elections | 271 | 45 |
| External auditor's remuneration | 60 | 54 |
| Other audit services | 84 | 97 |
| Operating leases | 294 | 315 |
| Total other costs | 933 | 729 |
| 14 Net loss on disposal of property, plant and equipment, infrastructure | | |
| Summary | | |
| Proceeds from sale of assets | (514) | (3,834) |
| Less written down value of assets disposed | 3,901 | 5,709 |
| Total (loss) on disposal of assets | 3,387 | 1,875 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|------------------------|------------------------|
| 15 Cash and cash equivalents | | |
| Cash on hand and at bank | 291 | 198 |
| Short term deposits | 52,000 | 50,000 |
| | <u>52,291</u> | <u>50,198</u> |
| Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include : | | |
| - Grants received in advance for which there is an obligation to complete. | 5,692 | 4,358 |
| - Long service leave. | 7,354 | 7,414 |
| - Reserves funds allocated for specific future purposes. | 7,887 | 6,720 |
| - Trust funds and deposits. | 2,938 | 3,097 |
| Restricted Funds | <u>23,871</u> | <u>21,589</u> |
| Total unrestricted cash and cash equivalents | <u>28,420</u> | <u>28,609</u> |
| 16 Trade and other receivables | | |
| Current | | |
| Rates debtors | 2,921 | 2,568 |
| Sundry debtors | 962 | 1,130 |
| Perin fine debtors | 5,831 | 4,849 |
| Less provision for doubtful debts | (3,814) | (3,488) |
| | <u>2,017</u> | <u>1,361</u> |
| Infringement debtors | 2,175 | 1,603 |
| Less provision for doubtful debts | (1,175) | (732) |
| | <u>1,000</u> | <u>871</u> |
| Net GST receivable | 728 | 784 |
| Total current | <u>7,628</u> | <u>6,714</u> |
| Non - current | | |
| Deferred rates* | 72 | 87 |
| Total non - current | <u>72</u> | <u>87</u> |
| Total trade and other receivables | <u>7,700</u> | <u>6,801</u> |

*Deferred rates are those which can be deferred under Section 170 of the Local Government Act due to hardship.

16 Finance Report

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| 17 Other assets | | |
| Accrued income | 381 | 537 |
| Prepayments | 471 | 510 |
| Inventories held for sale | 19 | 11 |
| Total other assets | 871 | 1,058 |
| 18 Property, plant and equipment, infrastructure | | |
| Summary | | |
| at cost | 41,218 | 31,820 |
| Less: accumulated depreciation | (14,839) | (13,658) |
| | 26,379 | 18,162 |
| at fair value as at 30 June 2012 | 637,742 | 643,703 |
| Less: accumulated depreciation | (70,386) | (71,446) |
| | 567,356 | 572,257 |
| at fair value as at 30 June 2013 | 356 | - |
| | 356 | - |
| at Council valuation as at 30 June 2012 | 418,650 | 419,902 |
| Less: accumulated depreciation | (161,347) | (153,247) |
| | 257,303 | 266,655 |
| Total | 851,394 | 857,074 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| 18 Property, plant and equipment, infrastructure (continued) | | |
| Property | | |
| Land | | |
| At fair value as at 30 June 2012 | 438,044 | 438,044 |
| Total Land | <u>438,044</u> | <u>438,044</u> |
| Land under roads (LUR) | | |
| At cost | 513 | 513 |
| Total Land under roads | <u>513</u> | <u>513</u> |
| Buildings | | |
| At cost | 2,435 | - |
| Less: accumulated depreciation | (2) | - |
| At fair value as at 30 June 2012 | 199,698 | 205,659 |
| Less: accumulated depreciation | (70,386) | (71,446) |
| Total Buildings | <u>131,745</u> | <u>134,213</u> |
| Leasehold improvements | | |
| At cost | 1,227 | - |
| Less: accumulated depreciation | (225) | - |
| Total Leasehold improvements | <u>1,002</u> | <u>-</u> |
| Total Property | <u>571,304</u> | <u>572,770</u> |

Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer Mr Vin Bourke, Certified Practising Valuer (CPV) and principal of Rating Valuation Services. 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 highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued at a discount of 30 percent to market value based on legal precedents.

Land under roads is valued at deemed cost. Deemed cost is based on council valuations for land under roads acquired after 30 June 2008 and for subsequent acquisitions using site values adjusted for englobo at a discount of 95%, for undeveloped and/or unserviced characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This valuation was undertaken by a qualified independent valuer Mr Vin Bourke, Certified Practising Valuer (CPV) and principal of Rating Valuation Services.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | | 2013 \$'000 | 2012 \$'000 |
|------|---|----------------|----------------|
| 18 | Property, plant and equipment, infrastructure (continued) | | |
| | Plant and equipment | | |
| | Plant and machinery | | |
| | At cost | 9,244 | 9,190 |
| | Less: accumulated depreciation | (5,893) | (5,505) |
| | Total Plant and machinery | 3,351 | 3,685 |
| | Equipment and computers | | |
| | At cost | 4,262 | 3,599 |
| | Less: accumulated depreciation | (2,808) | (2,394) |
| | Total Equipment and computers | 1,454 | 1,205 |
| | Library items | | |
| | At cost | 3,199 | 3,842 |
| | Less: accumulated depreciation | (1,371) | (1,981) |
| | Total Library items | 1,828 | 1,861 |
| | Total Plant and equipment | 6,633 | 6,751 |
| | Infrastructure and other assets | | |
| | Roads and bridges | | |
| | At cost | 3,940 | - |
| | Less: accumulated depreciation | (11) | - |
| | Council valuation at 30 June 2012 | 234,177 | 235,204 |
| | Less: accumulated depreciation | (89,737) | (84,292) |
| | At fair value as at 30 June 2013 contributed assets | 324 | - |
| | Total Roads and bridges | 148,693 | 150,912 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|--|----------------|----------------|
| 18 Property, plant and equipment, infrastructure (continued) | | |
| Drains | | |
| At cost | 850 | - |
| Less: accumulated depreciation | (3) | - |
| Council valuation at 30 June 2012 | 130,730 | 130,730 |
| Less: accumulated depreciation | (49,495) | (48,163) |
| Total Drains | 82,082 | 82,567 |
| Footpaths and cycle ways | | |
| At cost | 481 | - |
| Less: accumulated depreciation | (2) | - |
| Council valuation at 30 June 2012 | 53,743 | 53,968 |
| Less: accumulated depreciation | (22,115) | (20,792) |
| At fair value as at 30 June 2013 contributed assets | 32 | - |
| Total Footpaths and cycle ways | 32,139 | 33,176 |
| Total Infrastructure assets | 262,914 | 266,655 |
| Street furniture and equipment | | |
| At cost | 12,694 | 12,385 |
| Less: accumulated depreciation | (4,524) | (3,778) |
| Total street furniture and equipment | 8,170 | 8,607 |
| Total Infrastructure and other assets | 271,084 | 275,262 |
| <p>The valuation of infrastructure asset categories was carried out under the direction of the Coordinator Asset Management, Ahmed Elmohandis, whose professional qualifications are Bachelor Engineering.</p> <p>The revaluation determined the fair value of the assets as at the date of valuation is based on: unit rates derived from subdivisions and contracts constructed during 2011/12 excluding demolition and preparation costs, straight line depreciation calculated for each asset component and expected lives of assets components determined from consideration of asset condition.</p> <p>The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.</p> | | |
| Total Works in progress - at cost | 2,373 | 2,291 |
| Total Property, plant and equipment, infrastructure | 851,394 | 857,074 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

18 Property, plant and equipment, infrastructure

| 2013 | Balance at beginning of financial year \$'000 | Acquisition of assets \$'000 | Contributed assets | Revaluation increments (decrements) \$'000 | Depreciation & amortisation \$'000 | Written down value of disposals | Transfers In (out) \$'000 | Balance at end of financial year \$'000 |
|--|---|------------------------------|--------------------|--|------------------------------------|---------------------------------|---------------------------|---|
| Property | | | | | | | | |
| Land | 438,044 | - | - | - | - | - | - | 438,044 |
| Land under roads | 513 | - | - | - | - | - | - | 513 |
| Land improvements | - | - | - | - | - | - | - | - |
| Total land | 438,557 | - | - | - | - | - | - | 438,557 |
| Buildings | 134,213 | 1,808 | - | - | (2,257) | (2,646) | 627 | 131,745 |
| Leasehold improvements | - | 804 | - | - | (225) | - | 423 | 1,002 |
| Total buildings | 134,213 | 2,612 | - | - | (2,482) | (2,646) | 1,050 | 132,747 |
| Total property | 572,770 | 2,612 | - | - | (2,482) | (2,646) | 1,050 | 571,304 |
| Plant and Equipment | | | | | | | | |
| Plant and machinery | 3,685 | 912 | - | - | (913) | (333) | - | 3,351 |
| Equipment and computers | 1,205 | 988 | - | - | (739) | - | - | 1,454 |
| Library books | 1,861 | 562 | - | - | (282) | (313) | - | 1,828 |
| Total plant and equipment | 6,751 | 2,462 | - | - | (1,934) | (646) | - | 6,633 |
| Infrastructure | | | | | | | | |
| Roads and bridges | 150,912 | 3,411 | 325 | - | (5,981) | (503) | 529 | 148,693 |
| Footpaths and cycle ways | 33,176 | 418 | 31 | - | (1,444) | (105) | 63 | 32,139 |
| Drainage | 82,567 | 824 | - | - | (1,335) | - | 26 | 82,082 |
| Street furniture and equipment | 8,608 | 308 | - | - | (746) | - | - | 8,170 |
| Total infrastructure | 275,263 | 4,961 | 356 | - | (9,506) | (608) | 618 | 271,084 |
| Works in progress | | | | | | | | |
| Infrastructure | 2,290 | 1,751 | - | - | - | - | (1,668) | 2,373 |
| Non capitalised expenditure | - | - | - | - | - | - | - | - |
| Total works in progress | 2,290 | 1,751 | - | - | - | - | (1,668) | 2,373 |
| Total property, plant and equipment, infrastructure | 857,074 | 11,786 | 356 | - | (13,922) | (3,900) | - | 851,394 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

18 Property, plant and equipment, infrastructure (cont.)

| 2012 | Balance at beginning of financial year | Acquisition of assets | Contributed assets | Revaluation increments (decrements) | Depreciation & amortisation | Written down value of disposals | Transfers In (out) | Balance at end of financial year |
|--|--|-----------------------|--------------------|-------------------------------------|-----------------------------|---------------------------------|--------------------|----------------------------------|
| | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Property | | | | | | | | |
| Land | 407,008 | - | 15,803 | 15,430 | - | (197) | - | 438,044 |
| Land under roads | 513 | - | - | - | - | - | - | 513 |
| Total land | 407,521 | - | 15,803 | 15,430 | - | (197) | - | 438,557 |
| Buildings | 127,689 | 1,927 | - | 7,362 | (2,107) | (812) | 154 | 134,213 |
| Leasehold improvements | - | - | - | - | - | - | - | - |
| Total buildings | 127,689 | 1,927 | - | 7,362 | (2,107) | (812) | 154 | 134,213 |
| Total property | 535,210 | 1,927 | 15,803 | 22,792 | (2,107) | (1,009) | 154 | 572,770 |
| Plant and Equipment | | | | | | | | |
| Plant and machinery | 4,129 | 747 | - | - | (997) | (194) | - | 3,685 |
| Equipment and computers | 698 | 994 | - | - | (487) | - | - | 1,205 |
| Library books | 2,104 | 519 | - | - | (478) | (284) | - | 1,861 |
| Total plant and equipment | 6,931 | 2,260 | - | - | (1,962) | (478) | - | 6,751 |
| Infrastructure | | | | | | | | |
| Roads and bridges | 117,294 | 3,952 | 680 | 32,776 | (4,012) | (726) | 948 | 150,912 |
| Footpaths and cycle ways | 30,868 | 905 | 259 | 2,534 | (1,259) | (399) | 268 | 33,176 |
| Drainage | 73,898 | 531 | - | 9,203 | (1,176) | - | 111 | 82,567 |
| Street furniture and equipment | 8,864 | 1,020 | - | - | (1,195) | (186) | 105 | 8,608 |
| Total infrastructure | 230,924 | 6,408 | 939 | 44,513 | (7,642) | (1,311) | 1,432 | 275,263 |
| Works in progress | | | | | | | | |
| Infrastructure | 3,308 | 568 | - | - | - | - | (1,586) | 2,290 |
| Non capitalised expenditure | - | - | - | - | - | - | - | - |
| Total works in progress | 3,308 | 568 | - | - | - | - | (1,586) | 2,290 |
| Total property, plant and equipment, infrastructure | 776,374 | 11,163 | 16,742 | 67,305 | (11,711) | (2,798) | - | 857,074 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---------------------------------------|----------------|----------------|
| 19 Trade and other payables | | |
| Current | | |
| Trade payables | 4,172 | 6,460 |
| Accrued expenses | 2,167 | 10,327 |
| Total trade and other payables | 6,339 | 16,787 |
| 20 Trust funds and deposits | | |
| Refundable asset protection deposits | 1,437 | 1,525 |
| Refundable capital works retentions | 4 | 13 |
| Other refundable deposits | 1,201 | 1,258 |
| Refundable civic facilities deposits | 296 | 301 |
| | 2,938 | 3,097 |

Deposits and retentions are held until the works or services have been completed. At completion of the agreement the deposit is refunded less any claim for damages via forfeiture.

| | | | | |
|--|---------------------|----------------------------|---------------------|---------------|
| 21 Provisions | | | | |
| 2013 | Annual leave | Retirement gratuity | Long service | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | 3,905 | 1,046 | 7,414 | 12,365 |
| Additional provisions | 3,503 | 28 | 805 | 4,336 |
| Amounts used | (3,088) | (73) | (802) | (3,963) |
| Increase in discounted amount arising because of time and the effect in discount rate change | - | - | (63) | (63) |
| Balance at the end of the financial year | 4,320 | 1,001 | 7,354 | 12,675 |
| 2012 | Annual leave | Retirement gratuity | Long service | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | 3,473 | 1,063 | 7,114 | 11,650 |
| Additional provisions | 2,466 | 52 | 759 | 3,277 |
| Amounts used | (2,034) | (69) | (987) | (3,090) |
| Increase in discounted amount arising because of time and the effect in discount rate change | - | - | 528 | 528 |
| Balance at the end of the financial year | 3,905 | 1,046 | 7,414 | 12,365 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| 21 Provisions (continued) | | |
| Employee provisions | | |
| Current (i) | | |
| Annual leave | 4,320 | 3,905 |
| Long service leave | 5,693 | 5,593 |
| Retirement gratuity | 1,001 | 1,046 |
| | <u>11,014</u> | <u>10,544</u> |
| (i) All annual leave is measured at present value. Long service leave and gratuity entitlements representing 7 or more years of continuous service measured at present value. Short term employee benefits, that fall due within 12 months after the end of the period were measured at nominal value. Other long term employee benefits that do not fall within 12 months after the end of the period measured at present value. | | |
| Non current (ii) | | |
| Long service leave | 1,661 | 1,821 |
| | <u>1,661</u> | <u>1,821</u> |
| (ii) Long service leave representing less than 7 years of continuous service measured at present value. | | |
| Total employee benefits | <u>12,675</u> | <u>12,365</u> |
| Aggregate carrying amount of employee benefits: | | |
| Current | 11,014 | 10,544 |
| Non-current | <u>1,661</u> | <u>1,821</u> |
| | <u>12,675</u> | <u>12,365</u> |
| The following assumptions were adopted in measuring the present value of employee benefits: | | |
| Wage inflation rate | 4.5% | 4.0% |
| Weighted average discount rates | 3.8% | 3.0% |
| Weighted average settlement period | 17 yrs | 16 yrs |
| 22 Interest bearing loans and borrowings | | |
| Current | | |
| Borrowings - Secured | 695 | 654 |
| Total current | <u>695</u> | <u>654</u> |
| Non Current | | |
| Borrowings - Secured | 4,200 | 4,894 |
| Total non current | <u>4,200</u> | <u>4,894</u> |
| The maturity profile for Council's borrowings is: | | |
| Not later than one year | 695 | 654 |
| Later than one year and not later than five years | 3,253 | 2,221 |
| Later than five years | <u>947</u> | <u>2,673</u> |
| Total | <u>4,895</u> | <u>5,548</u> |
| Aggregate carrying amount of Interest-bearing liabilities: | | |
| Current | 695 | 654 |
| Non Current | <u>4,200</u> | <u>4,894</u> |
| Total Interest bearing loans and borrowings | <u>4,895</u> | <u>5,548</u> |
| Borrowings are secured by a claim over Council rates | | |

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2013

Note

| 23 | Reserves | Balance at beginning of reporting period \$'000 | Increment | (Decrement) | Balance at end of reporting period \$'000 |
|-----|---|---|---------------|----------------|---|
| (a) | Asset revaluation reserves | | | | |
| | 2013 | | | | |
| | Property | | | | |
| | Land | 355,253 | - | - | 355,253 |
| | Buildings | 79,562 | - | - | 79,562 |
| | | 434,815 | - | - | 434,815 |
| | Infrastructure | | | | |
| | Roads and bridges | 86,830 | - | - | 86,830 |
| | Footpaths and cycle ways | 12,587 | - | - | 12,587 |
| | Drainage | 40,949 | - | - | 40,949 |
| | | 140,366 | - | - | 140,366 |
| | Total asset revaluation reserves | 575,181 | - | - | 575,181 |
| | The asset revaluation reserve is to record the increased (net) value of Council's assets over time. | | | | |
| | 2012 | | | | |
| | Property | | | | |
| | Land | 339,823 | 15,430 | - | 355,253 |
| | Buildings | 72,200 | 7,362 | - | 79,562 |
| | | 412,023 | 22,792 | - | 434,815 |
| | Infrastructure | | | | |
| | Roads and bridges | 54,054 | 32,776 | - | 86,830 |
| | Footpaths and cycle ways | 10,053 | 2,534 | - | 12,587 |
| | Drainage | 31,746 | 9,203 | - | 40,949 |
| | | 95,853 | 44,513 | - | 140,366 |
| | Total asset revaluation reserves | 507,876 | 67,305 | - | 575,181 |
| (b) | Other reserves | \$'000 | \$'000 | \$'000 | \$'000 |
| | 2013 | | | | |
| | Mausoleum trust | 568 | 6 | - | 574 |
| | Open space | 4,093 | 1,238 | (576) | 4,755 |
| | Developer plans | 2,059 | 499 | - | 2,558 |
| | Carried forward funds | 6,704 | 8,434 | (6,703) | 8,435 |
| | Major programs | 13,536 | 5,602 | (230) | 18,908 |
| | Total Other reserves | 26,960 | 15,779 | (7,509) | 35,230 |
| | 2012 | | | | |
| | Mausoleum trust | 552 | 16 | - | 568 |
| | Open space | 2,932 | 1,219 | (58) | 4,093 |
| | Developer plans | 1,723 | 348 | (12) | 2,059 |
| | Carried forward funds | - | 6,704 | - | 6,704 |
| | Major programs | 11,119 | 3,184 | (767) | 13,536 |
| | Total Other reserves | 16,326 | 11,471 | (837) | 26,960 |

The purpose of the mausoleum trust reserve is for the future maintenance of the cemetery.

The open space reserve is to segregate the levies collected until required for major works.

The developer contributions reserves segregate the levies collected until required.

The purpose of carried forwards is to segregate unspent project funds for future expenditure.

The purpose of the major programs is to segregate funds until commencement of works.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|------------------------|------------------------|
| 24 Reconciliation of cash flows from operating activities to surplus | | |
| Surplus | 8,075 | 13,332 |
| Non cash items | | |
| Depreciation and amortisation | 13,922 | 11,711 |
| Net (gain)/loss on disposal of property, infrastructure, plant and equipment | 3,387 | 1,875 |
| Contributions of non-monetary assets | (356) | (16,742) |
| Financing costs | 320 | 548 |
| Change in assets and liabilities: | | |
| Decrease/(Increase) in trade and other receivables | (899) | 300 |
| Decrease/(Increase) in other assets | 187 | 79 |
| Increase/(Decrease) in trade and other payables | (10,448) | 6,332 |
| Increase/(Decrease) in employee provisions | 310 | 715 |
| Net cash provided by / (used in) operating activities | 14,498 | 18,150 |
| 25 Financing arrangements | | |
| Unrestricted access was available at balance date to the following lines of credit: | | |
| Bank loans | 4,895 | 5,548 |
| Bank overdraft | 200 | 200 |
| Business card | 150 | 150 |
| Total credit facilities | 5,245 | 5,898 |
| Bank loans | 4,895 | 5,548 |
| Business card | 17 | 28 |
| Used facilities at balance date | 4,912 | 5,576 |
| Bank overdraft | 200 | 200 |
| Business card | 133 | 122 |
| Unused facilities at balance date | 333 | 322 |

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | | 2013 \$'000 | 2012 \$'000 |
|-----------|---|----------------|----------------|
| 26 | Restricted assets | | |
| | Council has cash assets and cash equivalents that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements and on other reserve funds excluding grants and trust funds. | | |
| | | Note | |
| | Long service leave | 21 | 7,354 |
| | Grants | 6 | 5,692 |
| | Trust funds | 20 | 2,938 |
| | Mausoleum trust | 23 | 574 |
| | Developer contribution reserves | 23 | 2,558 |
| | Open space reserve | 23 | 4,755 |
| | Total restricted assets | | 23,871 |
| | | | 21,589 |

The restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2012 and does not necessarily equate to the long service leave liability due to a different basis of calculation prescribed by the regulation.

27 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund and other funds are recognised as an expense in Comprehensive Operating Statement when they are due.

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2013, this was 9% required under Superannuation Guarantee legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25% and will progressively increase to 12% by 2019.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

27 Superannuation (continued)

Defined Benefits

The Fund's Defined Benefit category is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated to each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Council does not use defined benefit accounting for these defined benefit obligations.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011/12).

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

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

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

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012.

Council has not been advised of any further adjustments.

The projected value of Council's contribution to the shortfall at 30 June 2012 (excluding contributions tax) amounted to \$8.1M which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Benefits (see Note 8) and in the Balance Sheet in Current Liabilities Provisions (see Note 19).

No further amount has been accounted for in the 2012/13 Comprehensive Operating Statement within Employee Benefits (see Note 8) and in the Balance Sheet in Current Liabilities Provisions (see Note 19).

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

Note

27 Superannuation (continued)

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

Council received an early payment discount of \$445,856 and this has been accounted for in the 2012/13 Comprehensive Operating Statement within Employee Costs (see Note 8) and in the Balance Sheet in Current liabilities trade and other payables (see Note 19).

Retrenchment increments

During 2012-13, Council paid \$192,213 to the Fund in respect of retrenchment increments (\$Nil in 2011/12). Council's liability to the Fund as at 30 June 2013, for retrenchment increments, accrued interest and tax is \$Nil (\$Nil in 2011/12).

Accrued benefits

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

| | 31-Dec-2011 \$'000 |
|--|-----------------------|
| Net Market value of Assets | 4,315,324 |
| Accrued Benefits (per accounting standards) | 4,642,133 |
| Difference between Assets and Accrued Benefits | (326,809) |
| Vested Benefits | 4,838,503 |
| (Minimum sum which must be paid to members when they leave the fund) | |

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

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

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2013 are detailed below:

| Scheme | Type of scheme | Rate | 2013 \$'000 | 2012 \$'000 |
|---|------------------|-------|----------------|----------------|
| Vision Super | Defined benefits | 9.25% | 3,080 | 10,938 |
| Vision Super | Accumulation | 9.00% | 214 | 213 |
| Employer contributions to other super funds | | 9.00% | 233 | 310 |
| | | | 3,527 | 11,461 |

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2013.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

**Note
28**

Commitments

The Council has entered into the following commitments:

| | 2013 \$'000 | 2012 \$'000 |
|--|------------------------|------------------------|
|--|------------------------|------------------------|

Operating

| | | |
|---|-------|-------|
| Not later than one year | 1,559 | 3,582 |
| Later than one year and not later than five years | 2,198 | 1,149 |
| Later than five years | 625 | 708 |

| | | |
|--------------|--------------|--------------|
| Total | 4,382 | 5,439 |
|--------------|--------------|--------------|

Operating commitments are represented by:

| | | |
|-------------------------------|-------|-------|
| Green Power electricity | 269 | 448 |
| MAC co-generation | 1,039 | 1,121 |
| Cleaning services | 169 | 164 |
| Valuation services | 236 | 236 |
| Library management | 293 | - |
| Electoral services | - | 239 |
| Other | 412 | 1,287 |
| Property refuse and recycling | 1,964 | 1,944 |

| | | |
|--------------|--------------|--------------|
| Total | 4,382 | 5,439 |
|--------------|--------------|--------------|

Capital

Commitments for capital expenditure contracted at the end of the year but not recognised in the accounts are payable as follows:

| | | |
|---|-----|-------|
| Not later than one year | 476 | 1,760 |
| Later than one year and not later than five years | 152 | 192 |

| | | |
|--------------|------------|--------------|
| Total | 628 | 1,952 |
|--------------|------------|--------------|

Capital commitments are represented by:

| | | |
|-------------------|-----|-----|
| Community hub | 218 | - |
| Telephony | 174 | - |
| Family centre | 101 | - |
| MAC change rooms | - | 532 |
| Pritchard Avenue | - | 365 |
| Amenity area | - | 312 |
| Municipal fit out | - | 207 |
| IP telephony | - | 174 |
| Works centre | - | 119 |
| Other | 135 | 243 |

| | | |
|--------------|------------|--------------|
| Total | 628 | 1,952 |
|--------------|------------|--------------|

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | | 2013 | 2012 |
|------|------------------|--------|--------|
| 29 | Operating leases | \$'000 | \$'000 |

(a) **Operating lease commitments**

At 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 | 584 | 609 |
| Later than one year and not later than five years | 1,557 | 1,598 |
| | <u>2,141</u> | <u>2,207</u> |

The Council has commercial property leases on its properties. They are non-cancellable operating leases between 1 and 20 years. Future minimum receivables under the non-cancellable operating leases are as follows:

| | | |
|---|------------|------------|
| Not later than one year | 119 | 164 |
| Later than one year and not later than five years | 410 | 422 |
| Later than five years | 106 | 214 |
| | <u>635</u> | <u>800</u> |

30 **Contingent liabilities and contingent assets**

Contingent liabilities

The Council is presently involved in several 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 allowances for these contingencies has been made in the financial report.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets, the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Contingent assets

Contributed assets include roads, drains, footpaths and parks which may be created in the approval and construction of large scale residential developments. On completion of the development they are donated to the Council for ongoing maintenance and replacement. Contributed assets are valued at their current replacement cost.

There have been \$0.35m contributed assets received in 2012/13 and \$16m in 2011/12 and none for the previous 2 years.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note
31 Financial Risk Management

(a) Accounting policy, terms and conditions

| Recognised Financial Instruments | Note | Accounting Policy | Terms and Conditions |
|---|-------------|---|--|
| Financial assets | | | |
| Cash and cash equivalents | 15 | Cash on hand, at bank and money market call accounts are valued at face value. Investments and bills are valued at cost. Investments are held within Council's policies and guidelines to minimise the level of risk on interest returns of surplus cash. Interest is recognised as it accrues. Managed funds are measured at market value. | On call deposits interest rate at balance date of 2.75% (3.75% in 2012). The operating account interest rate at balance date was 1.95% (2.95% in 2012). Term deposits returned fixed interest rate of between 3.80% (5.3% in 2012), and 4.38% (5.48% in 2012) net of fees. |
| Trade and other receivables | | | |
| Other debtors | 16 | 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. Collectability of overdue accounts is assessed on an ongoing basis. | General debtors are unsecured. Credit terms are based on 30 days. These terms and conditions were the same as prior year. |
| Financial Liabilities | | | |
| Trade and other payables | 19 | 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. | General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt. |
| Interest-bearing loans and borrowings | 22 | 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. | Borrowings are secured by way of mortgage over the general rates of Council. The weighted average interest rate on borrowings is 6.3% (6.3% in 2012). |
| Finance Leases | | Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases. | Council has no finance leases. |
| Bank overdraft | | Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues. | The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. There was no overdraft used therefore no interest rates were applied. The interest rate as at balance date was 9.73 % (10.08% in 2012). |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note**31 Financial Risk Management (continued)****(b) Interest Rate Risk**

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities at balance date are as follows:

| 2013 | Fixed interest maturing in: | | | | | Total |
|---------------------------------------|-----------------------------|----------------|-------------------|-------------------|----------------------|--------|
| | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non-interest bearing | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | |
| Cash and cash equivalents | 281 | 52,000 | - | - | 10 | 52,291 |
| Trade and other receivables | - | - | - | - | 962 | 962 |
| Total financial assets | 281 | 52,000 | - | - | 972 | 53,253 |
| Weighted average interest rate | 2.7% | 4.1% | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 6,339 | 6,339 |
| Trust funds and deposits | - | - | - | - | 2,938 | 2,938 |
| Interest-bearing loans and borrowings | - | 695 | 3,253 | 947 | - | 4,895 |
| Total financial liabilities | - | 695 | 3,253 | 947 | 9,277 | 14,172 |
| Weighted average interest rate | | 6.27% | 6.27% | 6.27% | | |
| Net financial assets (liabilities) | 281 | 51,305 | (3,253) | (947) | (8,305) | 39,081 |

| 2012 | Fixed interest maturing in: | | | | | Total |
|---------------------------------------|-----------------------------|----------------|-------------------|-------------------|----------------------|--------|
| | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non-interest bearing | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | |
| Cash and cash equivalents | 189 | 50,000 | - | - | 9 | 50,198 |
| Trade and other receivables | - | - | - | - | 1,130 | 1,130 |
| Total financial assets | 189 | 50,000 | - | - | 1,139 | 51,328 |
| Weighted average interest rate | 3.8% | 5.3% | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 16,787 | 16,787 |
| Trust funds and deposits | - | - | - | - | 3,097 | 3,097 |
| Interest-bearing loans and borrowings | - | 654 | 2,221 | 2,673 | - | 5,548 |
| Total financial liabilities | - | 654 | 2,221 | 2,673 | 19,884 | 25,432 |
| Weighted average interest rate | | 6.27% | 6.27% | 6.27% | | |
| Net financial assets (liabilities) | 189 | 49,346 | (2,221) | (2,673) | (18,745) | 25,896 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

31 Financial Risk Management (continued)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities at balance date are as follows:

| Financial Instruments | Total carrying amount as per Balance Sheet | | Aggregate net fair value | |
|---------------------------------------|---|----------------|--------------------------|----------------|
| | 2013 \$'000 | 2012 \$'000 | 2013 \$'000 | 2012 \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | 52,291 | 50,198 | 52,291 | 50,198 |
| Trade and other receivables | 962 | 1,130 | 962 | 1,130 |
| Total financial assets | 53,253 | 51,328 | 53,253 | 51,328 |
| Financial liabilities | | | | |
| Trade and other payables | 6,339 | 16,787 | 6,339 | 16,787 |
| Trust funds and deposits | 2,938 | 3,097 | 2,938 | 3,097 |
| Interest-bearing loans and borrowings | 4,895 | 5,548 | 4,755 | 5,404 |
| Total financial liabilities | 14,172 | 25,432 | 14,032 | 25,288 |

At balance date, the Council did not hold any financial assets or financial liabilities requiring measurement at fair value subsequent to initial recognition.

(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 these risks are detailed below.

Market risk

Market risk is the risk that the fair value of 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.

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2013

Note

31 (e) Financial Risk Management (continued)

Our loan borrowings are sourced from major Australian banks. If finance leases are required they will be 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 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 and appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

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. 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. No allowance is currently required.

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 the note 30.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

31 (e) Financial Risk Management (continued)

Ageing of Other Debtors

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

| | 2013 | 2012 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current (not yet due) | 649 | 1,079 |
| Past due by up to 30 days | 265 | 23 |
| Past due between 31 and 60 days | 6 | 1 |
| Past due by more than 60 days | 42 | 27 |
| Total Trade and Other Receivables | <u>962</u> | <u>1,130</u> |

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$Nil (\$Nil in 2012) were impaired. The amount of the provision raised against these debtors was \$Nil (\$Nil in 2012). A provision for doubtful debts directly off sets the debtor balance. The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection.

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 readily accessible standby facilities and other funding arrangements in place,
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments,
- monitor budget to actual performance on a regular basis, and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note**31 (e) Financial Risk Management (continued)**

The table below lists the contractual maturities for Financial Liabilities.
These amounts represent undiscounted gross payments including both principal and interest amounts.

| 2013 | 1 year or less \$'000 | Over 1 to 5 years \$'000 | More than 5 years \$'000 | Contracted Cash Flow \$'000 | Carrying Amount \$'000 |
|---------------------------------------|--------------------------------------|---|---|--|---------------------------------------|
| Trade and other payables | 6,339 | - | - | 6,339 | 6,339 |
| Trust funds and deposits | 2,938 | - | - | 2,938 | 2,938 |
| Interest-bearing loans and borrowings | 695 | 3,253 | 947 | 4,895 | 4,895 |
| Total financial liabilities | 9,972 | 3,253 | 947 | 14,172 | 14,172 |
| 2012 | 1 year or less \$'000 | Over 1 to 5 years \$'000 | More than 5 years \$'000 | Contracted Cash Flow \$'000 | Carrying Amount \$'000 |
| Trade and other payables | 16,787 | - | - | 16,787 | 16,787 |
| Trust funds and deposits | 3,097 | - | - | 3,097 | 3,097 |
| Interest-bearing loans and borrowings | 654 | 2,221 | 2,673 | 5,548 | 5,548 |
| Total financial liabilities | 20,538 | 2,221 | 2,673 | 25,432 | 25,432 |

(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 Department of Treasury and Finance Victoria):

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

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.

| Interest rate risk | | | | | |
|---------------------------|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | -1 % | | +1% | |
| | | -100 basis points | | +100 basis points | |
| 2013 | Carrying amount \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| Financial assets: | | | | | |
| Cash and cash equivalents | 52,291 | (523) | (523) | 523 | 523 |
| 2012 | Carrying amount \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| Financial assets: | | | | | |
| Cash and cash equivalents | 50,198 | (502) | (502) | 502 | 502 |

(g) Fair Value Hierarchy

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

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| 32 Auditors' remuneration | | |
| Audit fee to conduct external audit - Victorian Auditor General | 60 | 54 |
| Internal audit fees audit services | 84 | 97 |
| | <u>144</u> | <u>151</u> |

33 Events occurring after balance date

No events occurred after balance date that have any material or significant effect on the financial report.

34 Related party transactions

(i) Responsible Persons

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

Councillors

| | |
|-------------------|---|
| Sarah Carter | (1/7/2012 to 26/10/2012; 30/10/2012 to 30/6/2013) |
| Michael Clarke | (1/7/2012 to 26/10/2012; 30/10/2012 to 30/6/2013) |
| Catherine Cumming | (1/7/2012 to 26/10/2012; Mayor 30/10/2012 to 30/6/2013) |
| John Cimming | (Mayor 1/7/2012 to 26/10/2012) |
| Dina Lynch | (1/7/2012 to 26/10/2012) |
| Cameron McDonald | (30/10/2012 to 30/6/2013) |
| Grant Miles | (30/10/2012 to 30/6/2013) |
| Nam Quach | (30/10/2012 to 30/6/2013) |
| Sel Sanli | (1/7/2012 to 26/10/2012) |
| Martin Zakharov | (1/7/2012 to 26/10/2012; 30/10/2012 to 30/6/2013) |

Chief Executive Officer

| | |
|---------------|-------------------------|
| Vince Haining | (1/7/2012 to 30/6/2013) |
|---------------|-------------------------|

(ii) Remuneration of Responsible Persons

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

| Income Range: | 2013 No. | 2012 No. |
|-----------------------|-------------|-------------|
| \$1 - \$9,999 | 2 | - |
| \$10,000 - \$19,999 | 3 | - |
| \$20,000 - \$29,999 | 4 | 5 |
| \$40,000 - \$49,999 | - | 2 |
| \$50,000 - \$59,999 | 1 | - |
| \$290,000 - \$299,999 | - | 1 |
| \$320,000 - \$329,999 | 1 | - |
| | <u>11</u> | <u>8</u> |

Total remuneration for the reporting year for Responsible Persons included above amounted to:

| | |
|-----|-----|
| 542 | 508 |
|-----|-----|

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

Note

34 Related party transactions (continued)

(iii) Retirement benefits

No retirement benefits have been made by Council to a Responsible Person during the reporting year (\$Nil 2011/12).

(iv) Loans, guarantees etc.

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (\$Nil 2011/12).

(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 (\$Nil 2011/12).

(vi) Senior Officers remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$130,000.

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

| Income Range: | | | 2013 No. | 2012 No. |
|---|---|------------|-------------|-------------|
| \$0 | - | <\$129,999 | - | 3 |
| \$130,000 | - | \$139,999 | 9 | 7 |
| \$140,000 | - | \$149,999 | 7 | 3 |
| \$150,000 | - | \$159,999 | 2 | 1 |
| \$170,000 | - | \$179,999 | 1 | - |
| \$190,000 | - | \$199,999 | - | 4 |
| \$200,000 | - | \$209,999 | 3 | - |
| \$210,000 | - | \$219,999 | 1 | - |
| | | | 23 | 18 |
| Total Remuneration for the reporting year for Senior Officers included above amount to: | | | 3,533 | 2,688 |

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

35 Financial ratios (Performance indicators)

| | 2013 \$'000 | 2013 % | 2012 \$'000 | 2012 % | 2011 \$'000 | 2011 % |
|--|----------------|-----------|----------------|-----------|----------------|-----------|
|--|----------------|-----------|----------------|-----------|----------------|-----------|

(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease and bank overdraft interest. The ratio expresses the amount of interest paid as a ratio of Council's total revenue.

| | | | | | | |
|-----------------------------|------------|------|------------|------|------------|------|
| <u>Debt servicing costs</u> | <u>320</u> | | <u>548</u> | | <u>770</u> | |
| Total revenue | 110,466 | 0.00 | 119,343 | 0.00 | 99,163 | 0.01 |

(b) Debt commitment ratio (to identify Council's debt redemption strategy)

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.

| | | | | | | |
|--|------------|------|--------------|------|--------------|------|
| <u>Debt servicing & redemption costs</u> | <u>974</u> | | <u>4,701</u> | | <u>4,110</u> | |
| Rate revenue | 70,764 | 0.01 | 65,634 | 0.07 | 61,147 | 0.07 |

(c) Revenue ratio (to identify Council's dependence on non-rate revenue)

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of the Council.

| | | | | | | |
|---------------------|---------------|------|---------------|------|---------------|------|
| <u>Rate revenue</u> | <u>70,764</u> | | <u>65,634</u> | | <u>61,147</u> | |
| Total revenue | 110,466 | 0.64 | 119,343 | 0.55 | 99,163 | 0.62 |

(d) Debt exposure ratio (to identify Council's exposure to debt)

| | | | | | | |
|---------------------------|---------------|------|---------------|------|---------------|------|
| <u>Total indebtedness</u> | <u>21,154</u> | | <u>53,793</u> | | <u>46,883</u> | |
| Total realisable assets | 641,172 | 0.03 | 661,458 | 0.08 | 619,289 | 0.08 |

For the purposes of calculating financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: Crown land, restricted assets, infrastructure assets and other controlled property.

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 multiple of total liabilities for each dollar of realisable assets.

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2013

| Note | | 2013 | 2013 | 2012 | 2012 | 2011 | 2011 |
|--|------------------------------|---------------|------|---------------|------|---------------|------|
| 35 | Financial ratios (continued) | \$'000 | % | \$'000 | % | \$'000 | % |
| (e) Working capital ratio (to assess Council's ability to meet current commitments) | | | | | | | |
| The ratio expresses the level of current assets the Council has available to meet its current liabilities. | | | | | | | |
| | <u>Current assets</u> | <u>60,790</u> | | <u>57,970</u> | | <u>54,634</u> | |
| | Current liabilities | 20,986 | 2.90 | 31,082 | 1.87 | 28,061 | 1.95 |
| (f) Adjusted working capital ratio (to assess Council's ability to meet current commitments) | | | | | | | |
| | <u>Current assets</u> | <u>60,790</u> | | <u>57,970</u> | | <u>54,634</u> | |
| | Current liabilities | 14,292 | 4.25 | 24,443 | 2.37 | 20,666 | 2.64 |

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 and gratuity allowance 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.

(g) Definitions

Current assets:

Total current assets as shown in the Balance Sheet.

Current liabilities:

Total current liabilities as shown in the Balance Sheet.

Debt redemption:

Includes the principal component of loan repayments and financial leases and capital items purchased on vendor terms.

Debt servicing:

Includes interest and charges on loans, overdrafts, financial leases and interest on payments for capital items purchased on vendor terms, and contributions to sinking funds.

Rate revenue:

Includes revenue from general rates, municipal charges, special rates, special charges, service rates and service charges.

Total revenue:

Total revenue as shown in the Comprehensive Income Statement.

Total indebtedness:

Total liabilities, both current and non current, as shown in the Balance Sheet.

Realisable assets:

Includes total assets, both current and non current, excluding those assets which cannot be sold and those subject to restrictions. The following assets have been removed from total assets when calculating realisable assets: Restricted assets and Infrastructure assets.

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2013

| Note | Note | 2013 \$'000 | 2012 \$'000 |
|-----------|--------------------------------|----------------|----------------|
| 36 | Capital expenditure | | |
| | Capital works areas | | |
| | Buildings | 18 | 1,808 |
| | Leasehold improvements | 18 | 804 |
| | Plant and machinery | 18 | 912 |
| | Equipment and computers | 18 | 988 |
| | Library books | 18 | 562 |
| | Roads and bridges | 18 | 3,411 |
| | Footpaths and cycle ways | 18 | 418 |
| | Drainage | 18 | 824 |
| | Street furniture and equipment | 18 | 308 |
| | Total works in progress | 18 | 1,751 |
| | Total capital works | 11,786 | 11,163 |
| | Represented by: | | |
| | Renewal (a) | 6,152 | 5,950 |
| | Upgrade (b) | 1,725 | 1,638 |
| | New assets | 3,909 | 3,575 |
| | Total capital works | 11,786 | 11,163 |

Property, Plant and Equipment, Infrastructure movement:

The movement between the previous year and the current year in property, plant and infrastructure as shown in the Balance Sheet which links to the following items:

| | | | |
|--|-------|----------------|---------------|
| Total capital works | | 11,786 | 11,163 |
| Contributed non-monetary assets | 5 (b) | 356 | 16,742 |
| Asset revaluation movement | 23 | - | 67,305 |
| Depreciation | 11 | (13,922) | (11,711) |
| Written down value of assets sold and disposed | | (3,900) | (2,798) |
| Net movement in property, plant and equipment, infrastructure | | (5,680) | 80,701 |

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2013

Note

36 Capital expenditure (continued)

(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.

(c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

| Note | Note | 2013 \$'000 | 2012 \$'000 |
|---|-------------|------------------------|------------------------|
| 37 Underlying result | | | |
| Reconciliation of underlying surplus to comprehensive result: | | | |
| Total comprehensive result | | 8,075 | 80,637 |
| Net asset revaluations increment | 23 | - | (67,305) |
| Surplus | | 8,075 | 13,332 |
| One-off / non-recurrent adjustments: | | | |
| Contributions - non-monetary assets | 5 | (356) | (16,742) |
| Grants - Operating (non-recurrent) | 6 | (101) | (87) |
| Grants - Capital (non-recurrent) | 6 | (2,940) | (469) |
| Net loss on disposal of property, plant and equipment, infrastructure | 14 | 3,387 | 1,875 |
| Underlying surplus or (deficit) | | 8,065 | (2,091) |

In addition to the deficit and the comprehensive result as provided in the statement of comprehensive income, the Council monitors its financial performance in terms of financial sustainability by establishing an Underlying Result. The Underlying Result, as determined by the Council, is calculated by adjusting the comprehensive result by subtracting any non-cash contributions and removing any one-off or non-recurrent transactions. The Council believes that the Underlying Result allows it to establish its ability to remain sustainable and to fund day to day operations.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2013

Note

38 Income, expenses and assets by functions/activities

| (a) | Community Wellbeing | | Corporate Services | | Infrastructure and Engineering | | Organisational Development & | | Sustainable Development | | Total | |
|------------------------------|---------------------|-----------------|--------------------|-----------------|--------------------------------|-----------------|------------------------------|----------------|-------------------------|-----------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| INCOME | | | | | | | | | | | | |
| Grants | 6,644 | 6,481 | 2,400 | 3,086 | 3,353 | 1,288 | - | - | 277 | 189 | 12,674 | 11,044 |
| Other | 6,241 | 11,281 | 74,217 | 69,065 | 2,585 | 15,151 | 33 | 32 | 14,716 | 12,770 | 97,792 | 108,299 |
| TOTAL | 12,885 | 17,762 | 76,617 | 72,151 | 5,938 | 16,439 | 33 | 32 | 14,993 | 12,959 | 110,466 | 119,343 |
| EXPENSE | (25,354) | (27,860) | (14,113) | (15,719) | (47,181) | (43,562) | (1,641) | (2,007) | (14,102) | (16,863) | (102,391) | (106,011) |
| SURPLUS | (12,469) | (10,098) | 62,504 | 56,432 | (41,243) | (27,123) | (1,608) | (1,975) | 891 | (3,904) | 8,075 | 13,332 |
| FOR THE YEAR | | | | | | | | | | | | |
| ASSETS A | - | - | 60,862 | 57,970 | 851,394 | 857,161 | - | - | - | - | 912,256 | 915,131 |
| FUNCTIONS/ACTIVITIES* | | | | | | | | | | | | |

* Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2013

Note

38 Income, expenses and assets by functions/activities (continued)

(b) The activities of Council are categorised into the following broad functions:

Corporate Services

The Corporate Services branch is responsible for providing a range of strategic and operational services to all business units and Council as a whole.

This Branch includes the following services:

| | |
|---------------------------------------|-------------------------------|
| Corporate Services Management | Governance & Customer service |
| Strategic Marketing, Comms & Advocacy | Contracts & Procurement |
| Finance | Information Services |

Community Wellbeing

The Community Wellbeing branch promotes and enhances community wellbeing through funding programs, advocacy, service provision, community partnerships and regulatory activity.

This Branch includes the following services:

| | |
|---|--------------------------------|
| Aged & Diversity | Community Learning & Libraries |
| Community Infrastructure & Social Development | Community Wellbeing Management |
| Family & Youth Services | Leisure Services |

Infrastructure and Engineering

The Infrastructure Services branch is responsible for the provision of infrastructure and asset management of property and open space.

This Branch includes the following services:

| | |
|---|------------------------------|
| Infrastructure & Engineering Management | Sustainability & Environment |
| Capital Projects Delivery | Engineering Projects |
| Asset Management/Construction | Risk & Emergency Management |
| Civil Design & Transport | Operations & Maintenance |

Organisational Development & Business Transformation

The Organisational Development & Business Transformation branch is responsible for providing a range of operational services to all business units and Council as a whole.

This Branch includes the following services:

| | |
|----------------------------|-------------------------|
| Organisational Development | Business Transformation |
|----------------------------|-------------------------|

Sustainable Development

The Sustainable Development branch is responsible for protecting, enhancing and developing the Council's social and physical environment. The broad objective will be achieved through planning, coordination and delivery of a range of high quality, cost efficient community and environmental services which are responsive to the needs of residents and other service users.

This Branch includes the following services:

| | | |
|------------------------------------|----------------|---------------------|
| Sustainable Development Management | City Strategy | City Design |
| Footscray Development Facilitation | Urban Planning | Regulatory Services |

Maribyrnong City Council
Comparative Report
Standard Statements
For the Year Ended 30 June 2013

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Maribyrnong City Council
Comparative Report
Certification of the Standard Statements
For the Year Ended 30 June 2013

Certification of the Standard Statements

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.



Bryan Stone CPA
Principal Accounting Officer
17 September 2013
Footscray

In our 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.

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

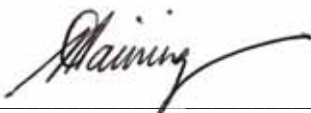
We have been authorised by Council on the 27 August 2013 to certify the standard statements in their final form.



Michael Clarke
Councillor
17 September 2013
Footscray



Cameron McDonald
Councillor
17 September 2013
Footscray



Vince Haining
Chief Executive Officer
17 September 2013
Footscray

Maribyrnong City Council

Comparative Report

Standard Statements

For the Year Ended 30 June 2013

Notes to Standard Statements

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements for this financial year within its Annual Report. Four Statements are required this year - a Standard Income Statement, Standard Balance Sheet, 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 results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included in 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 greater than 10 per cent and more than \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 19 June 2012. 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 and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

Maribyrnong City Council
Comparative Report
Standard Income Statement
For the Year Ended 30 June 2013

| | Budget 2012/13 \$'000 | Variances \$'000 | % | Ref | Actuals 2012/13 \$'000 |
|--|--------------------------------------|-----------------------------|----------|------------|---------------------------------------|
| Income | | | | | |
| Rates and charges | 69,807 | 957 | 1 | | 70,764 |
| Statutory fees and fines | 8,711 | 1,391 | 16 | 1 | 10,102 |
| User fees | 12,149 | (1,064) | (9) | | 11,085 |
| Contributions - cash | - | 1,737 | 100 | 2 | 1,737 |
| Contributions - non-monetary assets | - | 356 | 100 | 3 | 356 |
| Grants - Operating (recurrent) | 9,352 | (381) | (4) | | 8,971 |
| Grants - Operating (non-recurrent) | - | 101 | 100 | 4 | 101 |
| Grants - Capital (recurrent) | - | 662 | 100 | 5 | 662 |
| Grants - Capital (non-recurrent) | 6,697 | (3,757) | (56) | 6 | 2,940 |
| Other income | 1,168 | 193 | 17 | 7 | 1,361 |
| Interest | 2,150 | 237 | 11 | 8 | 2,387 |
| Net gain on disposal of property, infrastructure, plant and equipment | 285 | (285) | 100 | 9 | - |
| Total income | 110,319 | 147 | - | | 110,466 |
| Expenses | | | | | |
| Employee costs | 48,807 | 3,612 | 7 | | 45,195 |
| Materials and services | 33,430 | 3,582 | 11 | 10 | 29,848 |
| Bad and doubtful debts | 1,401 | 178 | 13 | 11 | 1,223 |
| Depreciation and amortisation | 11,314 | (2,608) | (23) | 12 | 13,922 |
| Improvement works | 6,000 | (1,563) | (26) | 13 | 7,563 |
| Finance costs | 688 | 368 | 53 | 14 | 320 |
| Other expenses | 633 | (300) | (47) | 15 | 933 |
| Net loss on disposal of property, plant and equipment, infrastructure | - | (3,387) | 100 | 9 | 3,387 |
| Total expenses | 102,273 | (118) | - | | 102,391 |
| Surplus for the year | 8,046 | 29 | - | | 8,075 |

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

Maribyrnong City Council
Comparative Report
Standard Income Statement
For the Year Ended 30 June 2013

Variance Explanation Report

| Item | Ref | Explanation |
|--|-----|---|
| Income | | |
| Statutory fees and fines | 1 | Traffic and local laws recovery costs were moved from other income. There was an increase in fees & fines for parking, building and not voting at the Council elections. |
| Contributions - cash | 2 | The Open Space and Developer Contributions are not budgeted as they are difficult to predict and then simply transferred to the appropriate statutory reserves until required. |
| Contributions - non-monetary assets | 3 | Contributed assets are not budgeted for due to their uncertain value and timing / receipt, the hand over of the sub divisions of estate developments. The major items are roads and footpaths. |
| Grants - Operating (non-recurrent) | 4 | A new disclosure requirement in the model accounts not previously shown separately in the budget. |
| Grants - Capital (recurrent) | 5 | A new disclosure requirement in the model accounts not previously shown separately in the budget. |
| Grants - Capital (non-recurrent) | 6 | The storm water harvesting project was discontinued. |
| Other income | 7 | The variance is mainly the re-imbursement of relocation costs from Regional Rail. The Traffic and local laws recoveries were moved to Statutory fees. |
| Interest | 8 | The interest income is higher due to increased cashholding. |
| Net gain / loss on disposal of property, infrastructure, plant and equipment | 9 | The Fleet disposals are budgeted however other disposals are not budgeted due to their uncertain timing and value. The major variances are caused by the demolition of work centre buildings, other road infrastructure assets and the sale of Tiernan street land. |

Maribyrnong City Council
Comparative Report
Standard Income Statement
For the Year Ended 30 June 2013

Variance Explanation Report (continued)

| Item | Ref | Explanation |
|-------------------------------|-----|--|
| Expenditure | | |
| Materials and services | 10 | This variance is due to an off set shown in improvements works below and savings in food services, graffiti removal, health planning, insurance, tipping, public lighting and equipment maintenance. |
| Bad and doubtful debts | 11 | The expected statute barred infringement write off was not as high as expected. |
| Depreciation and amortisation | 12 | The increase in depreaction is due to the increase in the asset revaluation which was not available until after the budget was adopted. |
| Improvement works | 13 | This over run is a direct off set with the maintenance improvement works budgeted in materials and services. |
| Finance costs | 14 | The cash collection costs have been moved to material and services inline with the model accounts. |
| Other expenses | 15 | The leasing costs have been moved from material and services inline with the model accounts. |

Maribyrnong City Council Comparative Report Standard Balance Sheet

As at 30 June 2013

| | Budget 2012/13 \$'000 | Variances \$'000 | % | Ref | Actuals 2012/13 \$'000 |
|---|-----------------------------|---------------------|-------------|-----|------------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 49,300 | 2,991 | 6 | | 52,291 |
| Trade and other receivables | 9,246 | (1,618) | (17) | 1 | 7,628 |
| Other assets | 323 | 548 | 170 | 2 | 871 |
| Total current assets | 58,869 | 1,921 | 3 | | 60,790 |
| Non-current assets | | | | | |
| Trade and other receivables | 133 | (61) | (46) | | 72 |
| Property, plant and equipment, infrastructure | 797,298 | 54,096 | 7 | | 851,394 |
| Total non-current assets | 797,431 | 54,035 | 7 | | 851,466 |
| Total assets | 856,300 | 55,956 | 7 | | 912,256 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 11,438 | 5,099 | 45 | 3 | 6,339 |
| Trust funds and deposits | 2,593 | (345) | (13) | 4 | 2,938 |
| Provisions | 13,741 | 2,727 | 20 | 5 | 11,014 |
| Interest bearing loans and borrowings | 695 | - | - | | 695 |
| Total current liabilities | 28,467 | 7,481 | 26 | | 20,986 |
| Non-current liabilities | | | | | |
| Provisions | 1,029 | (632) | (61) | 5 | 1,661 |
| Interest bearing loans and borrowings | 4,200 | - | - | | 4,200 |
| Total non-current liabilities | 5,229 | (632) | (12) | | 5,861 |
| Total liabilities | 33,696 | 6,849 | 20 | | 26,847 |
| Net Assets | 822,604 | 62,805 | 8 | | 885,409 |
| Equity | | | | | |
| Accumulated surplus | 291,081 | (16,083) | (6) | | 274,998 |
| Asset revaluation Reserve | 507,876 | 67,305 | 13 | 6 | 575,181 |
| Other reserves | 23,647 | 11,583 | 49 | 7 | 35,230 |
| Total Equity | 822,604 | 62,805 | 8 | | 885,409 |

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

Maribyrnong City Council
Comparative Report
Standard Balance Sheet
As at 30 June 2013

| Variance Explanation Report | Ref | Explanation |
|-----------------------------|-----|--|
| Item | | |
| Assets | | |
| Trade and other receivables | 1 | Storm water harvest project was discontinued therefore no debtor invoice was outstanding. |
| Other assets | 2 | Prepayments for vehicle registrations, Fujitsu maintenance, software, and the new depot rental. Investment Interest accrued but not received by year end. |
| Liabilities | | |
| Trade and other payables | 3 | There was an additional payment run on the 30 June to pay major project costs. A number of projects were not completed and therefore no payables were due. |
| Trust funds and deposits | 4 | The deposit for a major landscaping works was not refunded due to unsatisfactory work. |
| Provisions | 5 | There was more annual leave taken this year and a number of long serving employees departed receiving long service leave and gratuity payments. |
| Asset revaluation Reserve | 6 | The budget was adopted before the asset revaluation was complete and therefore did not include this increase. |
| Other reserves | 7 | This increase included carried forward grants, unspent project funds, open space and developer contributions. |

Maribyrnong City Council Comparative Report Standard Cash Flow Statement

For the Year Ended 30 June 2013

| | Adopted Budget 2012/13 \$'000 Inflows/ (Outflows) | Variances \$'000 Inflows/ (Outflows) | % | Ref | Actuals 2012/13 \$'000 Inflows/ (Outflows) |
|---|--|---|-------------|-----|--|
| Cash flows from operating activities | | | | | |
| Total receipts from customers | 109,460 | (279) | - | | 109,181 |
| Total payments suppliers and employees | (86,626) | (8,057) | 9 | | (94,683) |
| Net cash provided by (used in) operating activities | 22,834 | (8,336) | (37) | | 14,498 |
| Cash flows from investing activities | | | | | |
| Payments for property, infrastructure, plant and equipment | (22,589) | 10,803 | 48 | 1 | (11,786) |
| Proceeds from sale of property, infrastructure, plant and equipment | 285 | 229 | 80 | 2 | 514 |
| Net cash (used in) investing activities | (22,304) | 11,032 | 128 | | (11,272) |
| Cash flows from financing activities | | | | | |
| Finance costs | (688) | 368 | 53 | 3 | (320) |
| Trust funds and deposits | 8 | (167) | 2,088 | 4 | (159) |
| Repayment of borrowings | (654) | - | - | | (654) |
| Net cash (used in) financing activities | (1,334) | 201 | 15 | | (1,133) |
| Net increase (decrease) in cash and cash equivalents | (804) | 2,897 | 360 | | 2,093 |
| Cash and cash equivalents at the beginning of financial year | 50,104 | 94 | - | | 50,198 |
| Cash and cash equivalents at the end of the financial year | 49,300 | 2,991 | 6 | | 52,291 |

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

Maribyrnong City Council
Comparative Report
Standard Cash Flow Statement
For the Year Ended 30 June 2013

Variance Explanation Report

| Item | Ref | Explanation |
|---|-----|--|
| Net cash (used in) investing activities | | |
| Payments for property, infrastructure, plant and equipment | 1 | The storm water project was discontinued and major project funds were transferred to Reserves. Maintenance projects costs were expensed in operating improvements works. |
| Proceeds from sale of property, infrastructure, plant and equipment | 2 | Only Fleet disposals are budgeted, with this variance mainly due to the sale of land in Tiernan street. |
| Cash flows from financing activities | | |
| Finance costs | 3 | The cash collection costs have been moved to material and services inline with the model accounts. |
| Trust funds and deposits | 4 | There has been a major exercise to inspect and refund or forfeit deposits held for more than 2 years. |

Maribyrnong City Council
Comparative Report
Standard Statement of Capital Works
For the Year Ended 30 June 2013

| Capital Works Groups | Budget 2012/13 \$'000 | Variances \$'000 | % | Ref | Actuals 2012/13 \$'000 |
|--|-----------------------------|---------------------|--------------|-----|------------------------------|
| Land | 573 | 573 | 100 | 1 | - |
| Buildings | 5,599 | 3,791 | 68 | 2 | 1,808 |
| Leasehold improvements | - | (804) | 100 | 3 | 804 |
| Plant and machinery | 790 | (122) | (15) | 4 | 912 |
| Equipment and computers | 2,042 | 1,054 | 52 | 5 | 988 |
| Library books | 858 | 296 | 34 | 6 | 562 |
| Roads and bridges | 5,708 | 2,297 | 40 | 7 | 3,411 |
| Footpaths and cycle ways | 400 | (18) | (5) | | 418 |
| Drainage | 4,974 | 4,150 | 83 | 8 | 824 |
| Street furniture and equipment | 347 | 39 | 11 | | 308 |
| Other assets | 1,297 | 1,297 | 100 | 9 | - |
| Total works in progress | - | (1,751) | 100 | 10 | 1,751 |
| Operating - Improvement works | 6,000 | (1,563) | (26) | 11 | 7,563 |
| Total capital & improvement works | 28,588 | 9,239 | 32 | | 19,349 |
| Operating - Improvement works | (6,000) | 1,563 | (26) | 11 | (7,563) |
| Total capital | 22,588 | 10,802 | (48) | | 11,786 |
| Represented by: | | | | | |
| Renewal | 5,405 | (747) | (14) | 12 | 6,152 |
| Upgrade | 2,990 | 1,265 | 42 | 13 | 1,725 |
| New assets | 10,724 | 6,815 | 64 | 14 | 3,909 |
| Operating - Maintenance & Improvement works | 9,469 | 1,906 | 20 | 11 | 7,563 |
| Total capital & improvement works | 28,588 | 9,239 | 32 | | 19,349 |
| | Budget 2012/13 \$'000 | Variances \$'000 | % | | Actual 2012/13 \$'000 |
| Reconciliation of net movement in property, plant equipment & infrastructure. | | | | | |
| Total capital & improvement works | 28,588 | (9,239) | (32) | | 19,349 |
| Operating - Maintenance & Improvement works | (6,000) | (1,563) | 26 | 11 | (7,563) |
| Depreciation and amortisation | (11,316) | (2,606) | 23 | 15 | (13,922) |
| Written down value of assets sold or disposed | - | (3,900) | 100 | 16 | (3,900) |
| Contributions - non-monetary assets | - | 356 | 100 | 17 | 356 |
| Net movement in property, infrastructure, plant and equipment | 11,272 | (16,952) | (150) | | (5,680) |

Maribyrnong City Council
Comparative Report
Standard Statement of Capital Works
For the Year Ended 30 June 2013

Variance Explanation Report

| Item | Ref | Explanation |
|-------------------------------|-----|---|
| Land | 1 | The contamination remediation works were expensed within operating improvement works. |
| Buildings | 2 | Various incomplete projects were transferred to Reserves. These include building renewal, Phoenix air conditioning and the Harris pavilion works. |
| Leasehold improvements | 3 | The new depot works were budgeted within the Buildings budget. |
| Plant and machinery | 4 | The over expenditure in plant is offset with the reallocation of minor plant budgeted within other assets. |
| Equipment and computers | 5 | The IT strategy was delayed and therefore no Reserve transfer was required. |
| Library books | 6 | The library purchase of Ebook subscriptions have been expensed and the Public Art carried forward. |
| Roads and bridges | 7 | There are some major projects that were not started or completed this year. These include Queensville street, the old depot carpark and other unspent roads works. |
| Drainage | 8 | The storm water harvesting project was discontinued and therefore the grant was not received. |
| Other assets | 9 | These work associated with these projects have been expensed within the operating improvement works. |
| Total works in progress | 10 | This item is not budgeted for as projects are expected to be completed during the year. The continuing projects include Harris pavilion, Southampton car park and Burns street. |
| Operating - Improvement works | 11 | The work associated with these projects was expensed. They include contamination remediation, design work, traffic management, plantations & garden beds, replacement bins, tree planting, water recycling and footpath grinding. |

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For the Year Ended 30 June 2013

Variance Explanation Report (continued)

| Item | Ref | Explanation |
|--|-----|--|
| Represented by: | | |
| Renewal | 12 | The Maribyrnong Aquatic Centre change room project was carried forward last year and capitalised this year. |
| Upgrade | 13 | The upgrade was not completed as the Storm water project was discontinued. |
| New assets | 14 | The new Storm water project was discontinued and various incomplete projects were carried forward. |
| Reconciliation of net movement in property, plant equipment & infrastructure. | | |
| Depreciation and amortisation | 15 | The increase in depreciation is due to the increase in the asset revaluation which was not available until after the budget was adopted. |
| Written down value of assets sold or disposed | 16 | The carrying value of assets disposed is not budgeted for due to the uncertain timing of disposals and the value of assets. This variance includes the demolition of works centre buildings, various roads and the write off of library books. |
| Contributions - non-monetary assets | 17 | Contributed assets are not budgeted for due to their uncertain value and timing / receipt, the hand over of the sub divisions of estate developments. The major items are roads and footpaths. |



Maribyrnong
CITY COUNCIL

www.maribyrnong.vic.gov.au

Phone: 9688 0200


Email: email@maribyrnong.vic.gov.au

Fax: 9687 7793

After Hours/Emergency: 9688 0200

Street Address: Maribyrnong City Council Offices,
corner Hyde and Napier Streets, Footscray

Postal Address: PO Box 58, Footscray VIC 3011

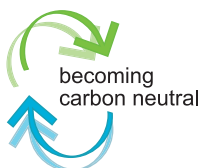
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