

MARIBYRNONG CITY COUNCIL

Annual Report

2013/2014



Maribyrnong
CITY COUNCIL

ENGLISH

This is Maribyrnong City Council's 2013-14 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 ماريبيرونغ (Maribyrnong) 2013-14. 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 ودعهم يتصلون بمجلس مدينة ماريبيرونغ على الرقم التالي 9688 0200.

CHINESE

这是Maribyrnong市政府的2013-14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 2013-14 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 διερμνέων στο 131 450 και ζητήστε να σας συνδέσουν με το Δήμο του Maribyrnong στο 9688 0200.

HINDI

यह मैरीबर्नॉग सिटी काउंसिल की 2013-14 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 फ़ाइनैन्शियल स्टेटमेंट्स) 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 फ़ोन करजिये और उनसे मैरीबर्नॉग सिटी काउंसिल से 9688 0200 सम्पर्क करवाने के लिए कहिये।

ITALIAN

Questa è la Relazione annuale 2013-14 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 2013-14 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 2013-14 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 2013-14 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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About the annual report

OUR VISION

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

The City of Maribyrnong is 5km from Docklands and central Melbourne. The city is part of the Central Melbourne Region.

This annual report focuses on the Council's role as a representative government for the local community.

Local government is accountable to the community in its performance, governance and use of resources. The annual report demonstrates that accountability.

This report provides an overview of Council's operations and financial performance from 1 July 2013 to 30 June 2014.

Information about Council's performance is structured around the four year strategic directions outlined in Council Plan 2013-2017 and Budget 2013/2014. Our overall performance is reported for each Council Plan strategic direction.

STRATEGIC OBJECTIVES

Council Plan 2013-2017 sets the strategic directions for Council, with a focus on six strategic objectives:

- » Urban growth
- » Liveability
- » Economic prosperity
- » Transport
- » Environmental sustainability
- » Organisational accountability.

Quick facts about the City of Maribyrnong:

- » The municipality covers 31sq km area, and is made up of suburbs which vary in demographics, population and geography
- » The estimated residential population is 79,302, and will grow to 110,000 by 2031
- » The average age is 34 years and almost one-third of people living in the city attend an education institution.
- » We have two Victoria University campuses, employing more than one thousand staff and a student population of around 15,000
- » Maribyrnong has more than 30,000 registered businesses
- » The city is known for its strong industry base
- » Our community is diverse with almost 40 per cent of our residents born overseas
- » 53.1 per cent of Maribyrnong households either fully own or are purchasing their home.



02

A message from the Mayor and CEO

This year's Annual Report provides a summary of Maribyrnong City Council's achievements over the past 12 months. Council has a strong commitment to work on behalf of the community improving the wellbeing of the people who live, work and play in our great city.

The financial reports in this document bear testament to Council's long term plan to forge a strong, sustainable, financial position.

This annual report summarises the Council Plan actions completed in the past 12 months, all aimed at making our City a better place. Council has delivered over 90 per cent of the actions outlined in the Council Plan, a fantastic result and one that demonstrates how the organisation is delivering outcomes for the community.

Improving and maintaining community wellbeing is the primary aim of Council. A number of key projects began in 2013/14 with the intention of transforming our city through partnerships with stakeholder groups.

Building on Footscray's reputation as a creative, edgy and exciting place, in September 2013 Maribyrnong City Council with Victoria University began the Footscray University Town project. The partnership will transform and renew Footscray through planning and activities that enhance the city as a university town. The outcome will be economic and social change; urban, economic and social renewal; essentially a catalyst to generate confidence, investment and employment in Footscray and Melbourne's west.

The Revitalising Braybrook campaign is a catalyst for positive change, paving the way for long-term changes in Braybrook by improving opportunities for residents, including education and skills, employment outcomes and a connected, integrated transport and pedestrian network.

The new Braybrook Hub is almost complete, a project in partnership with local and State government to deliver real and lasting improvements. The new community hub will give Braybrook its first ever library, a new sports pavilion, community spaces, meeting rooms and an early years centre.

A new children's services hub was constructed in Maidstone, which will offer local community kindergarten services, community rooms and consultation rooms, and a toy library.

Consultation began on a project to transform the Little Saigon Precinct in Footscray, providing additional parking and retail opportunities, delivering public improvements such as additional parking and a refreshed streetscape. Local traders, residents and visitors to the precinct had the opportunity to provide input into the potential outcomes.

In 2013 we ran our first ever New Year's Eve Fireworks in Footscray Park. This event proved to be a big hit with all of the community and we welcome its return to our Festival City calendar.

A 12 month pilot project called Active Maribyrnong began in February 2014 to encourage the community to get active through increased participation in sport and recreation across the municipality and includes a range of initiatives including the Maribyrnong Get Active Expo and Active Maribyrnong Guide.

The achievements of the 2013/14 year gives the City a strong platform from which to build an exciting future for the residents and businesses of the City of Maribyrnong.

Finally, we say goodbye and pay tribute to our outgoing CEO, Vince Haining. Vince guided this Council through significant growth and exciting change and we wish him the very best for the future.



Cr Grant Miles
Mayor

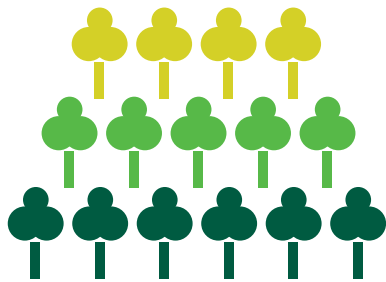


Nigel Higgins
Acting CEO



2014 HIGHLIGHTS

TREES MAINTAINED:



61,000

CATS & DOGS
REGISTERED:



8450

HOURS OF CARE FOR
SENIORS & PEOPLE
WITH DISABILITY:



128,830

NUMBER OF KIDS UP
TO PRESCHOOL AGE
SEEN BY A MATERNAL &
CHILD HEALTH NURSE:



FESTIVAL ATTENDEES:



LIBRARY LOANS:



758,581

PLANNING
APPLICATIONS
PROCESSED:



1005

TONNES OF RECYCLING
COLLECTED:



8067

HARD WASTE
COLLECTIONS:



8711

VISITS TO COMMUNITY
CENTRES:



283,708

3.1 Achieving Council Plan strategic objectives

In 2013/2014 Council committed to 115 actions across six key strategic objectives. Overall, 89 per cent of these actions were delivered and a further 9 per cent were partly delivered.

STRATEGIC OBJECTIVE

URBAN GROWTH

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

HIGHLIGHTS

Activating Little Saigon

Council has begun community consultation with local traders, residents and visitors to Footscray's Little Saigon. We aim to provide the precinct with new shopping opportunities and public improvements such as more parking, a welcome arch and refreshed streetscaping.

Maidstone Child and Family Centre

Our \$4.7 million development of new Maidstone Child and Family began in October 2013. The investment will transform Dobson Street Kindergarten and Burns Street Maternal and Child Health Service, located in Rogers Reserve, into a new facility catering for the increased demand for kindergarten places and maternal and child health services in Maidstone.

Braybrook North River masterplan

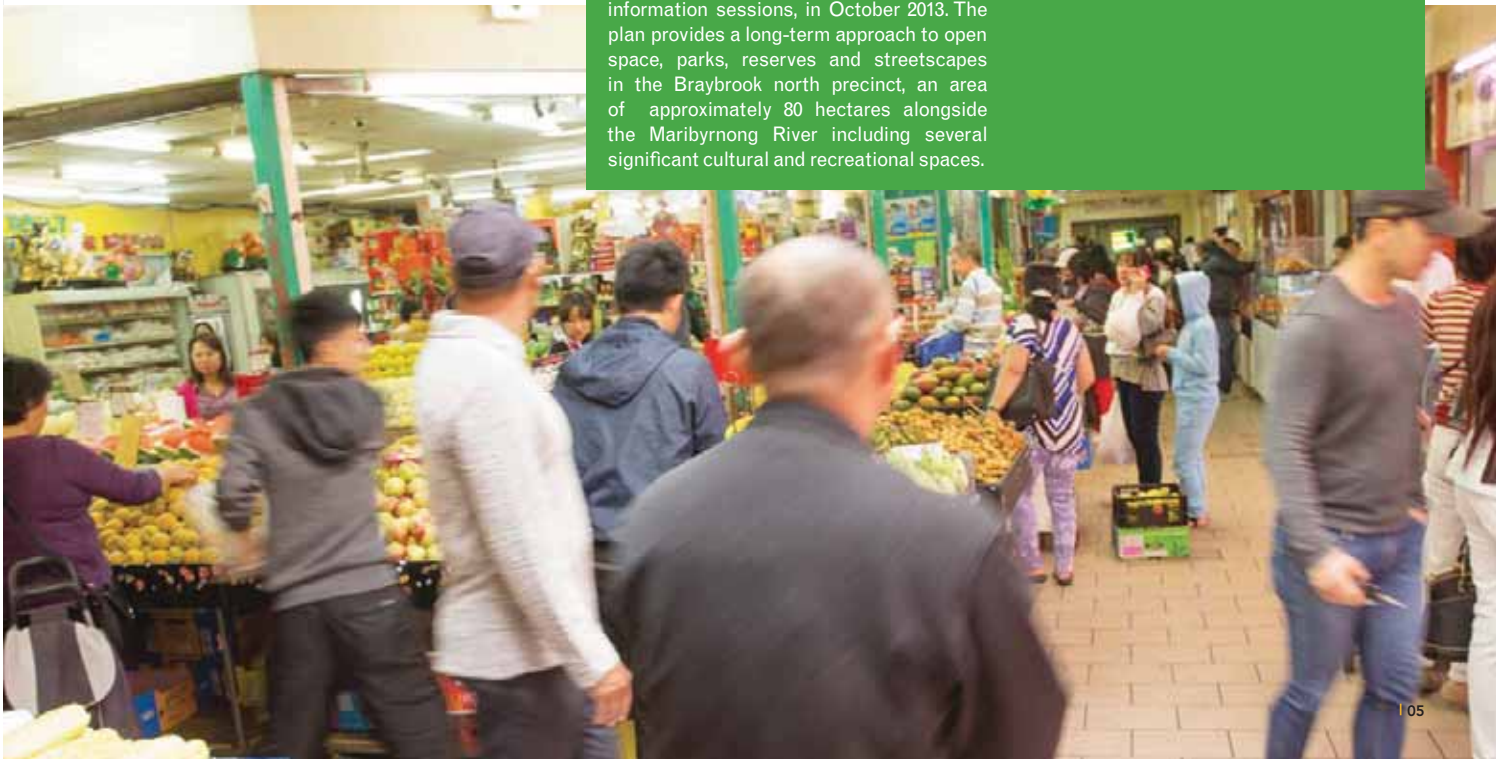
Council sought community input on its River Parkland (Braybrook North) Draft Masterplan, including community information sessions, in October 2013. The plan provides a long-term approach to open space, parks, reserves and streetscapes in the Braybrook north precinct, an area of approximately 80 hectares alongside the Maribyrnong River including several significant cultural and recreational spaces.

Braybrook Community Hub Construction

In December 2013, as part of its commitment to revitalising Braybrook, Council announced the start of construction of a new \$12.5 million Braybrook Community Hub. The new hub will be completed by early 2015 and will feature a library, sports pavilion, integrated early years centre and a community centre with meeting rooms.

Design excellence

Council introduced a new Design Excellence Program in December 2013 to raise the city's standard of residential development. Public forums in February and April 2014 focussed on design excellence and the role of development in creating liveability.



03

3.1 Achieving Council Plan strategic objectives



STRATEGIC OBJECTIVE

LIVEABILITY

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

HIGHLIGHTS

Open Space strategy

We began our consultation for the Maribyrnong Open Space Strategy. The strategy will inform the city's planning, design and management of public open space such as parks, gardens, reserves, river edges and urban plazas for the next 10 to 14 years.

Graffiti blitz

Council undertook a three month graffiti blitz to remove graffiti and especially tagging in residential and retail areas of the city.

Revitalising Braybrook

Council endorsed its Revitalising Braybrook Action Plan 2013-2015. The plan outlines actions for long-term improvements for the Braybrook community, including pathways to education, employment and training and a connected, integrated transport and pedestrian network. The plan compliments the development of the new hub.

Maidstone tennis pavilion

After extensive community consultation, Council endorsed a proposal to preserve the historically-significant Maidstone tennis pavilion and create a public park on the site. Under the proposal, the Federation-era pavilion and two tennis courts will be refurbished. A public park with seating, trees, shrubs and lawn areas will also be created.

Active Maribyrnong

In February 2014 Maribyrnong City Council began a 12 month pilot project to increase physical activity in the community. The program focuses on increasing participation in sport and recreation and includes a range of initiatives including the Maribyrnong Get Active Expo and Active Maribyrnong Guide.

New library borrowing kiosks

From May 2014, we installed new electronic borrowing kiosks at Maribyrnong's libraries. The self-service kiosks provide faster borrowing for members using Radio Frequency Identification tags on more than 140,000 items.

Sons of the West

Council, together with Western Bulldogs, launched Sons of the West. The free program promotes healthier lifestyles and improved health for men living and working in Melbourne's west. Former Bulldogs player and Brownlow Medal winner Tony Liberatore was appointed ambassador and team leader for men joining from the Maribyrnong area.

New community space at Maribyrnong Library

During May 2014 newly refurbished community rooms at Maribyrnong Library, located adjacent to Highpoint Shopping Centre, opened. The new spaces provide two convenient and central rooms for meetings, classes and events.

New outdoor gym stations

Three new outdoor gym stations were installed along the eastern sections of Footscray Park, next to the Maribyrnong River. This initiative is funded by Council and Regional Rail Link and provides conveniently located, free exercise equipment for park users.

National Cyclo-Cross Series

In June 2014, 250 members of Cycling Australia and Mountain Bike Australia competed in the first round of the 2014 National Cyclo-Cross Series at Braybrook's Cranwell Reserve. The event was held at Cranwell Reserve for the second year running and Maribyrnong City Council again provided in-kind support.





STRATEGIC OBJECTIVE

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.

HIGHLIGHTS

Small business festival

Maribyrnong City Council hosted five events in August 2013 as part of the Victorian Small Business Festival. The festival aims to assist small business boost their capacity for growth and provides business owners with new skills and ideas to build competitiveness.

Refugee employment program

Council, in partnership with the Brotherhood of St Laurence, conducted a pilot migrant employment program for refugees living in Braybrook. The project provided social and employment pathways for newly arrived community members who were unfamiliar with Australian workplace culture and systems.

Footscray University Town

Maribyrnong City Council and Victoria University signed a Memorandum of Understanding to launch the Footscray University Town initiative to support the transformation and renewal of Footscray as an arty, edgy and exciting university town. Our partnership with the University aims to bring about urban, economic and social renewal and act as a catalyst to generate confidence, investment and employment in Footscray and the west.

Discover Footscray tours

We developed six guided tours for art aficionados, foodies and history buffs, providing the opportunity for locals and visitors to experience Footscray from a new and exciting perspective and to share the suburb's rich history and culture.

Open studios

Held on 23 and 24 November 2013, Open Studios provided an opportunity for a behind-the-scenes look into the creative lives and processes of local artists. The event showcased artists working across a variety of creative disciplines.

Big West

Maribyrnong City Council continued to be the major supporter of the bi-annual Big West Festival 2013 as part of its Festival City Program. Big West ran for ten days, beginning November 22, and featured performance, dance, music and visual art. Council ran two sustainability-focused events as part of the festival: Braybrook Big Day Out and Small Worlds recycling competition.

Wominjeka festival

Council contributed funding for a unique Indigenous festival at Footscray Community Arts Centre in January 2014. The event celebrated Indigenous arts and culture and included exhibitions, forums, artist talks and performances.

New Years Eve fireworks

Our first New Year's Eve fireworks in Footscray Park proved a hit with the community, providing free, family-friendly entertainment including acts on the big stage, a sideshow alley and a fireworks spectacle.

Cult classics

Council produced a summer and winter 2014 season of free cult classic movies in public garden spaces across the city and in Footscray's newly created Bluestone Church Arts Space.



3.1 Achieving Council Plan strategic objectives

STRATEGIC OBJECTIVE

TRANSPORT

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

HIGHLIGHTS

Hospital precinct car park

Traffic congestion in and around the Western General and Western Private Hospitals was eased when a new hospital precinct car park opened in November 2013. Council constructed a pay-as-you-go car park with space for 282 vehicles on our former works centre site.

Maribyrnong bike strategy

Our draft Maribyrnong Bicycle Strategy was developed in May 2014 to guide Council's planning of improved cycle facilities over the next five years. We allocated \$1.2 million in 2014/2015 for cycling improvements and called for feedback on the draft strategy. The strategy aims to create a cycling environment that encourages more people to ride more often, especially for short to medium trips.

Truck issues

Council, together with VicRoads, the EPA and the Department of Health, have formed a working group to consider short term solutions for truck traffic issues in Melbourne's inner west. To date, the City of Maribyrnong and its partners:

- » Conducted a truck movement survey to understand where trucks are coming from and going to
- » Hosted two open house sessions for the community to provide information about trucks and survey findings
- » Investigated and modelled a range of short term measures.

ENVIRONMENTAL SUSTAINABILITY

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

Recycling champions

The Maribyrnong Recycling Champions Program was launched in July 2013 and ran again in November 2013 and March 2014. The program minimises waste going to landfill by increasing recycling awareness and reducing non-recyclable waste being left in recycling bins.

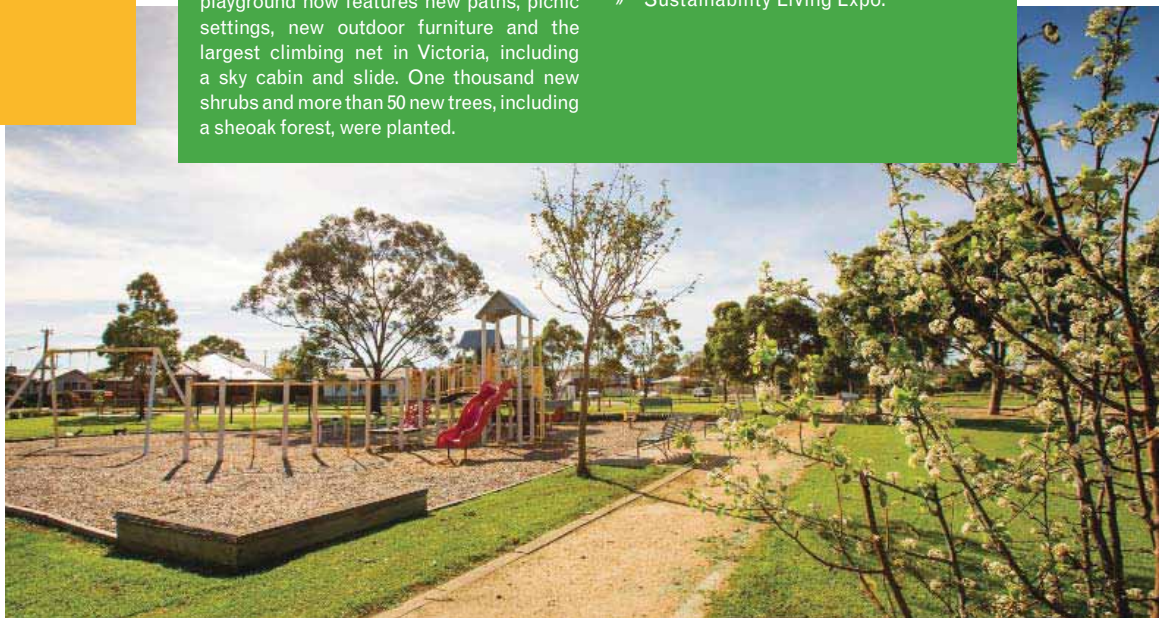
Cranwell Reserve

Braybrook's Cranwell Reserve playground was improved with a \$330,000 upgrade. The playground now features new paths, picnic settings, new outdoor furniture and the largest climbing net in Victoria, including a sky cabin and slide. One thousand new shrubs and more than 50 new trees, including a sheoak forest, were planted.

Environmental Education Program

Council ran regular environmental seminars, events and programs, including:

- » Your Home Your Health — a free series of workshops
- » The My Smart Garden program – a partnership between Hobsons Bay City Council, Maribyrnong City Council and Moonee Valley City Council
- » Sustainability Living Expo.





STRATEGIC OBJECTIVE

ORGANISATIONAL ACCOUNTABILITY

We will implement a transparent, engaging and accountable governance structure to deliver this Council Plan.

HIGHLIGHTS

Maribyrnong Aquatic Centre award

Maribyrnong Aquatic Centre was awarded with Life Saving Victoria's Swim and Survive Licensee of the Year award at the 2013 Annual Lifesaving Victoria Awards of Excellence. The award recognised the centre's provision of learn to swim and water safety education programs of the highest standards, its swim teacher liaison team and the professional development and career opportunities offered to staff.

Australia Day civic awards

Maribyrnong's civic awards, held on Australia Day every year, recognise and thank the people and groups who make a significant contribution to the wellbeing of our community.

Maribyrnong inclusiveness awards

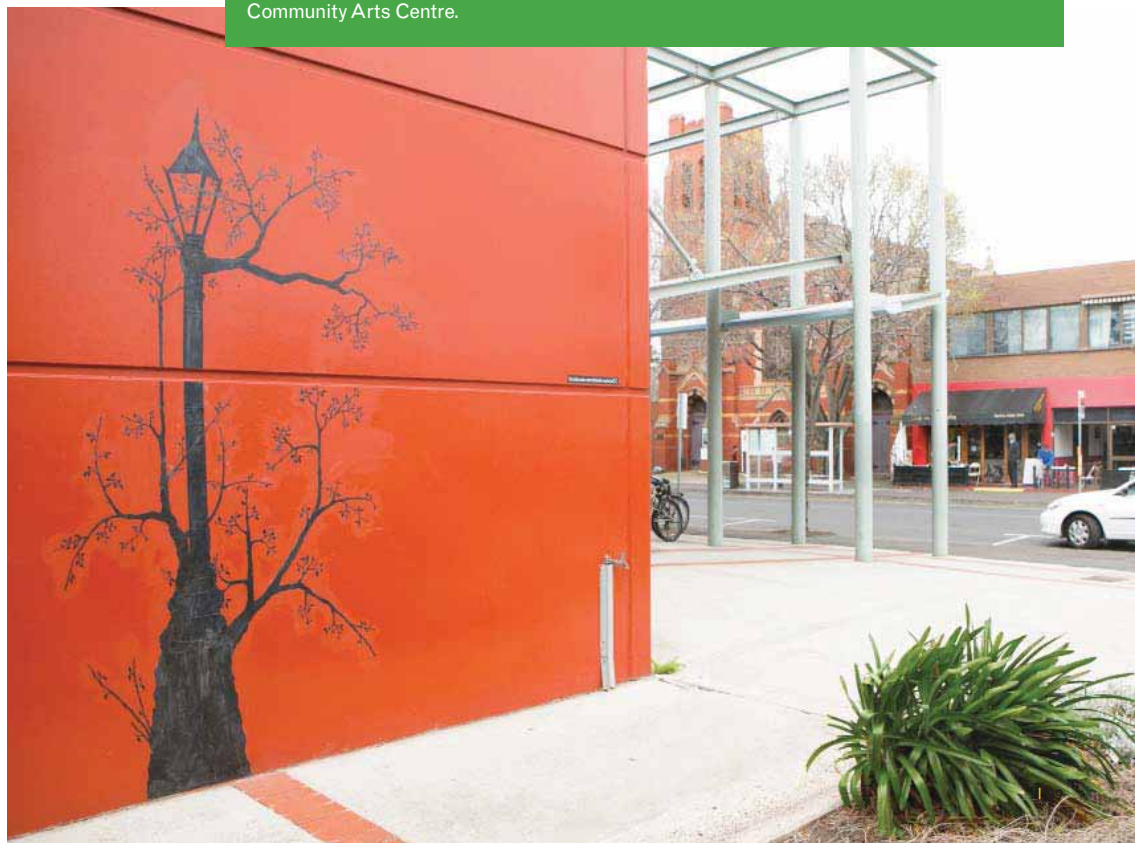
In December 2013 Council held its annual Maribyrnong Inclusive Recognition Awards for volunteers, organisations and their staff whose work to improve the quality of life for those with disability. The awards are lead and funded by Council's MetroAccess Program and supported by Footscray Community Arts Centre.

Inner Melbourne Action Plan

The Inner Melbourne Action Plan (IMAP) is a collaboration between Maribyrnong and the cities of Melbourne, Port Phillip, Stonnington and Yarra. The group seeks to foster creativity, liveability, prosperity and sustainability across inner Melbourne.

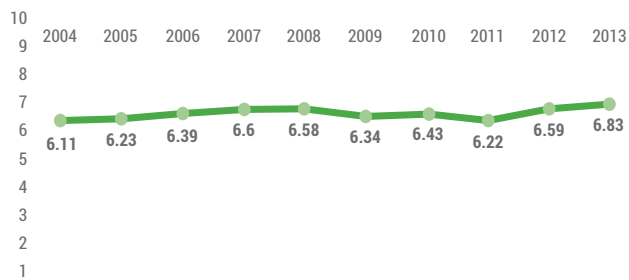
IMAP identifies strategies and actions for the inner Melbourne region and, to date, about three-quarters of IMAP actions are being implemented or have been completed in the group's eight year history.

Maribyrnong City Council became a full committee member of IMAP on 1 July 2013. The IMAP regional tourism map was amended to include Footscray in acknowledgement of this change.



3.2 Community Satisfaction

Council conducts its comprehensive annual community survey through an independent research company. The 2013 survey results showed that community satisfaction on Council's overall performance has increased once again, from 6.59 in 2012 to 6.83 in 2013, as shown in the graph below.



Community satisfaction level has also increased across the majority of indicators over the last four years. Some examples where the satisfaction level has increased include:

- » youth, children and seniors services
- » Maribyrnong Aquatic Centre
- » parks and gardens
- » promotion of economic activity
- » on and off road bike paths
- » our representation, lobbying and advocacy on behalf of our community.

Results for these and other strategic indicators are presented in Section 7 of this annual report.

3.3 Financial highlights

Council during the 2013/2014 financial year adopted its Long Term Financial Strategy (LTFS). The LTFS has provided Council with a 10 year blue print to meet the increased infrastructure and service needs of a diverse and growing community.

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.

Council's Long-Term Financial Strategy (LTFS) 2013/23 will be revised annually in October/November in accordance with the Council Plan. It will comply with the requirements set by the Victorian Auditor-General's (VAGO) Financial Sustainability Indicators and Maribyrnong City Councils best practice indicators.

The LTFS 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 and ensures that targets are met.

The LTFS 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 2013/2014 Annual Report provide a sound base to ensure the long term financial strategy's goals and objectives are achievable.

- » Council has achieved a surplus during the 2013/2014 financial year of \$2.129m.
- » Council has achieved an underlying surplus during the 2013/2014 financial year \$11.692m.
- » Council has expended in excess of \$24m 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 \$4.2m at the end of the 2013/2014 financial year.
- » Working capital ratios are a measure of Council's liquidity position. The current ratio of 2.6:1 is seen as a positive result to achieve the goals and objectives of the LTFS.








03







3.3 Financial highlights

COUNCIL INCOME

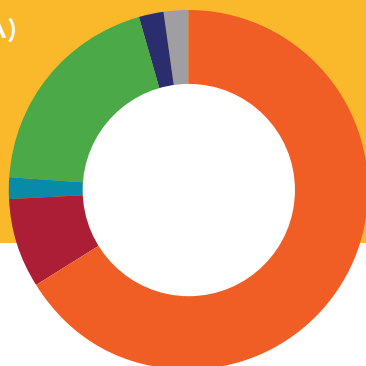
Council's Income Sources 2013/2014 (A)

INCOME	\$000	% TOTAL REVENUE
 Rates	77,274	66.26
 Grants	9,438	8.09
 Interest	2,308	1.98
 User Charges & Statutory Fees	22,531	19.32
 Contribution & Reimbursements	2,709	2.32
 Other Income	2,368	2.03
TOTAL INCOME	116,628	100

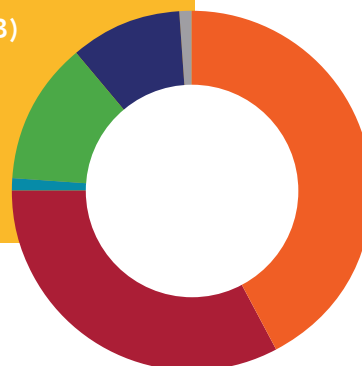
Council Expenditure Sources 2013/2014 (B)

EXPENDITURE	\$000	% TOTAL EXPENDITURE
 Employee Benefits	48,651	42.49
 Materials & Services	37,487	32.74
 Bad & Doubtful Debts	1,138	0.99
 Depreciation	14,501	12.67
 Net Loss on disposal Assets	11,747	10.26
 Other Expenses	975	0.85
TOTAL	114,499	100

(A)

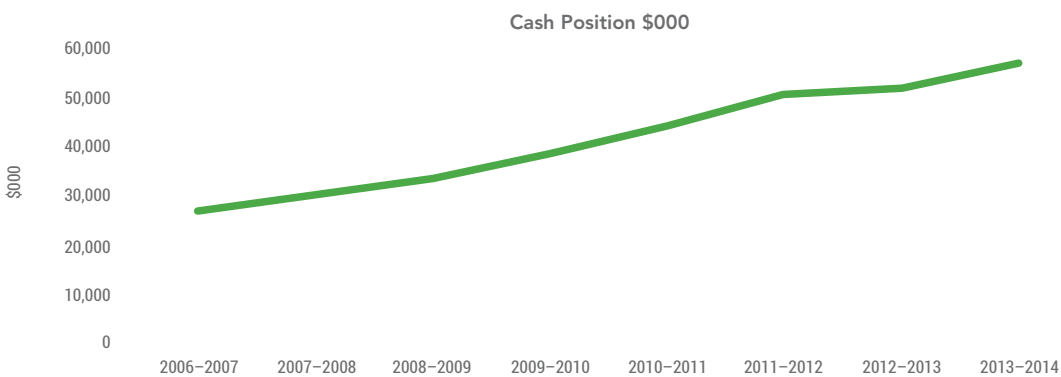


(B)



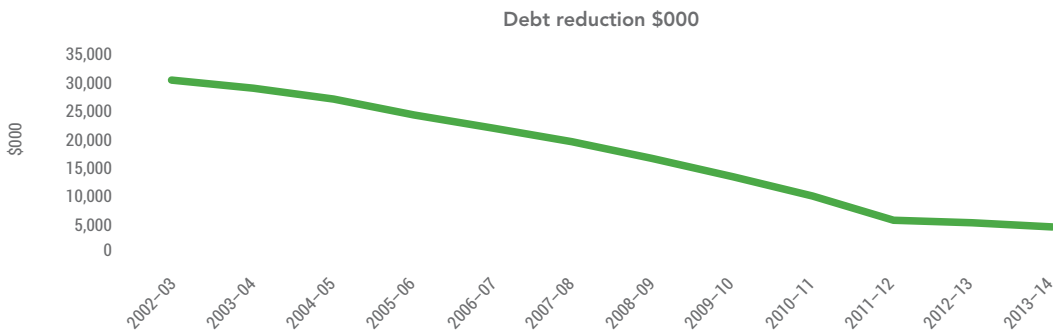
CASH POSITION

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 \$4.2 million as of 30th June 2014.



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

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 and the community has accessed during 2013/2014.

	2011/12	2012/13	2013/14
OUR CUSTOMER SERVICE			
Customer requests	29,304	33,302	40,441
Counter enquiries	84,603	93,137	103,783
Phone enquiries	75,119	131,050	165,167
Emails responded to (via Council's primary email address) ¹	36,529	37,643	47,586
UNIVERSAL SERVICES			
Number of trees maintained in reserves, parks, playgrounds	43,600	44,000	61,000 includes street trees
Kilometres of drains maintained	356km	357km	357km
Number of inspections of registered food and health premises	2,485	1,966	1,720
Number of planning applications processed	781	780	1,005 (lodged), 790 (decisions)
Number of registered dogs and cats	9,643	9,351	8,450
COMMUNICATING WITH LOCAL COMMUNITIES			
Number of media releases issued	135	160	222
Number of publications translated into community languages	144	310	235
Number of web page views	1,990,976	1,881,384	2,105,026
SUPPORTING LOCAL COMMUNITIES			
Community grants – total funds available	\$134,000	\$134,986	\$134,943
Festival grants – total funds available	\$271,737	\$288,787	\$303,787
COMMUNITY WELLBEING			
Number of visits to Maribyrnong Aquatic Centre	1,037,853	1,033,435	979,545
Council's ranking for immunisation rates (% of children aged 12 to 15 months fully immunised)	94.23%	92.68%	93.12%
Number of frail aged and older adults and people with disabilities who have used home and community support services	2,540	3,028	3064
Number of hours of care provided to frail and older adults and people with disabilities	134,882	128,641	128,830
Number of visits to libraries	543,842	553,045	565,969
Number of visits to community centres	252,869	343,194	283,708
Number of loans from libraries ²	844,377	787,143	758,581
Number of people who attended programs at libraries	14,508	19,681	20,190

¹ It does not include emails sent directly to departments or individual officers

² 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.

PRACTISING ENVIRONMENTAL SUSTAINABILITY

	2011/12	2012/13	2013/14
Total greenhouse emissions in tonnes CO ₂ e	11,778	12,911	11,937
Minus use of Greenpower	4,333	4,333	3,754
Total net greenhouse emissions in tonnes CO ₂	7,445	8,578	8,185
Water consumption in megalitres	178	195	209
Number of households subscribing to green waste bins	5,430	5,865	5,841
Tons of waste to landfill	34,334	20,754	22,917
Recycling in tonnes	8,154	7,269	8,067
Green waste processed (includes at-call hard and green waste and user pays green waste)	2,066	1,815	2,151
Hard waste collections completed – residential properties	Not reported		6,812
Hard waste collections completed – multi unit developments	Not reported		1,899

Our community and 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.

The City of Maribyrnong is now part of the Victorian Government's Central Melbourne region, which also includes the cities of Melbourne, Port Phillip, Stonnington and Yarra.

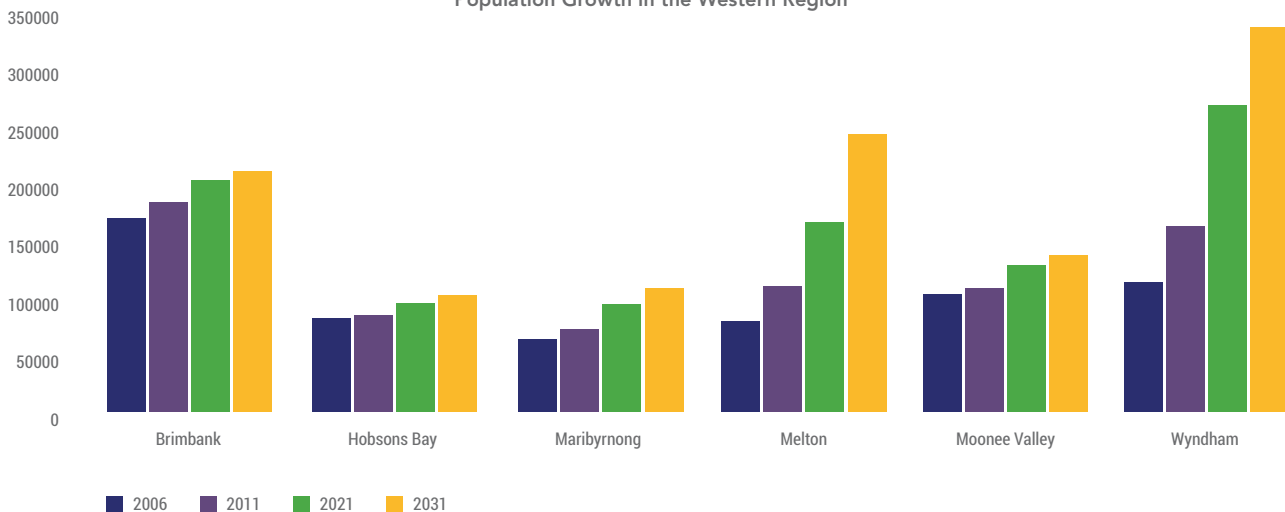
Historically, Maribyrnong has been known for its strong industry base and although many of its former industrial sites have been rezoned to residential, the city still offers a large employment base.

The City of Maribyrnong continues to attract new residents because of its proximity to inner Melbourne, its unique urban character and period homes, good public transport, its concentration of education facilities and natural and physical assets including the Maribyrnong River and heritage gardens.

Growth

The City of Maribyrnong's estimated residential population was 79,302 as of June 2013. The city's evolution to a largely residential, higher density location continues to create significant growth and change. By 2031, the population is expected to increase to around 111,000 people and more than 15,000 new residences will be added with growth across all suburbs. Footscray, in particular, will continue to see significant development of higher density living.

Population Growth in the Western Region



Community

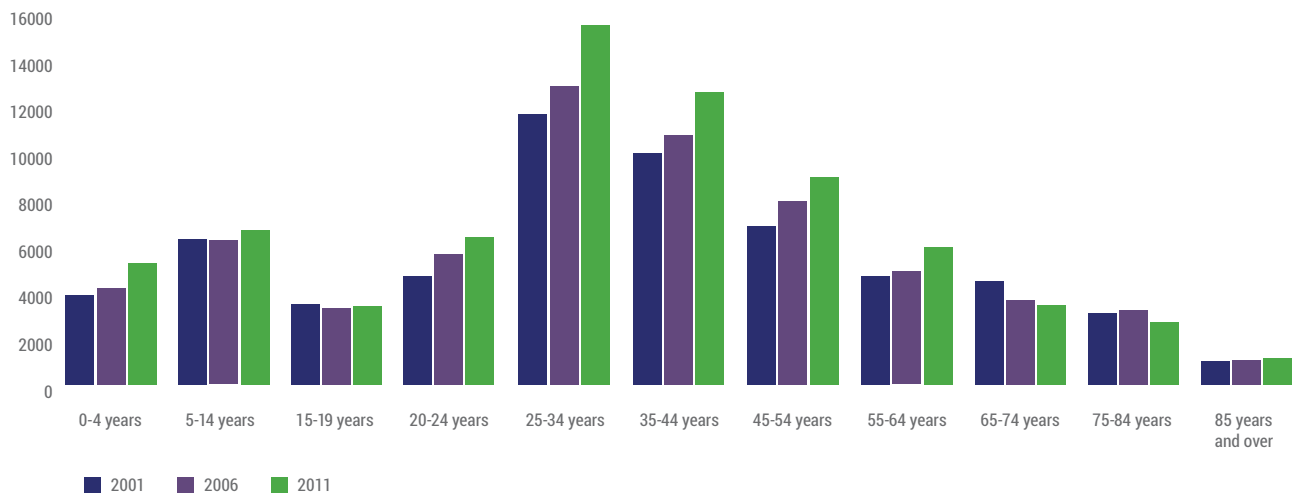
New Maribyrnong residents are more likely to be younger, wealthier, better educated and earning higher incomes than many of the city's traditional residents. The average age of a Maribyrnong resident is 34 years and almost one-third of people living in the city attend an education institution.

Maribyrnong is no longer metropolitan Melbourne's most disadvantaged area by the SEIFA³ index of social and economic disadvantage, with a SEIFA ranking of 974. This brings the municipality to fourth ranking.

However, parts of the city however are still characterised by poverty, unemployment, low education levels and incomes, public housing and low levels of health. For example, the suburb of Braybrook is the fourth most disadvantaged suburb in metropolitan Melbourne, with a SEIFA ranking of 801.1

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. The top six emerging country of birth groups are; India, Vietnam, China, Burma, Bangladesh and Ethiopia.

City of Maribyrnong Population by Age



Economy

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

Maribyrnong City Council and Victoria University have partnered in an exciting new project - Footscray University Town - to revitalise Footscray and open up the Melbourne's west through education.

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 is providing a new station at West Footscray and an upgrade of Footscray to become a major railway station interchange.

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

Good Governance

Council is committed to meeting high standards of democratic and corporate governance and makes decisions in an open and engaging manner. Excellence in governance occurs when governance is underpinned by accountability, integrity and openness.⁴

Councillors and Wards

Since the 2012 election the municipality has been divided into the River, Stony Creek and Yarraville wards. River and Stony Creek wards have two councillors each and Yarraville has three.

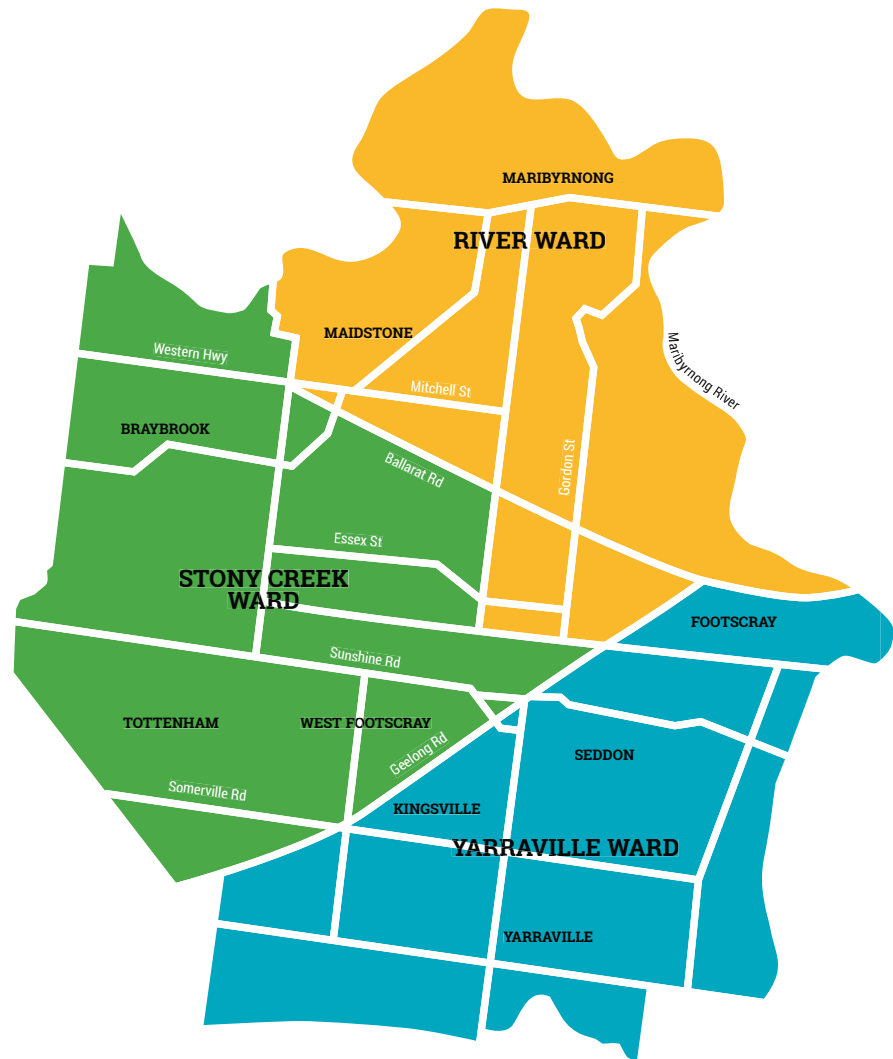
Cr Sarah Carter		River Ward
Cr Cameron McDonald		River Ward
Cr Catherine Cumming	Mayor – until October 2013	Stony Creek Ward
Cr Nam Quach	Deputy Mayor – from November 2013	Stony Creek Ward
Cr Michael Clarke		Yarraville Ward
Cr Grant Miles	Mayor – from November 2013	Yarraville Ward
Cr Martin Zakharov	Deputy Mayor – until October 2013	Yarraville Ward

⁴ Excellence in Governance for Local Government (CPA)



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

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). This will be reviewed in 2014 once proposed changes to the legislation are enacted.

The community expects the business of Council to be conducted with efficiency, transparency and impartiality. The 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 includes standards and principles to guide high quality services to our customers. It states Council's commitment to simplifying processes, finding solutions and continuous improvement.

The 2013 annual community satisfaction survey demonstrated high levels of customer satisfaction with Council.

Council continues to promote the variety of ways customers can make contact with our organisation including Council's mobile application. The application allows customers to:

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

Human rights framework

A key action of our human rights framework was to establish a Council Human Rights and Social Justice Steering Group, which was chaired by the former Chief Executive Officer Vince Haining. The steering group members are drawn from across the organisation and the group met five times in 2013/2014. Meetings included presentations on key Council policies relating to human rights and social justice including our Engaging Children Report and Municipal Youth Strategy.

06 GOOD GOVERNANCE

The steering group also supported opportunities to promote an understanding of human rights and social justice to Council staff and the wider community including:

- » Presentation by Jesuits Social Justice on human rights and social justice in local government
- » Presentation by the Footscray Community Legal Centre on employment law in the City of Maribyrnong
- » International Human Rights Day presentation by UCAN café which supports the employment of people with a disability.
- » Two events for Mental Health Awareness Week, in October, including a Tai Chi demonstration and stalls promoting mental health awareness
- » Two events for White Ribbon Day in November including a community photo exhibition at Phoenix Youth Centre and a morning tea in Footscray Mall.

How Council communicates with its community

Council makes decisions in an open and transparent manner. It communicates using tools such as:

- » Our customer service centre at the town hall, Footscray
- » 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
- » social media such as 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 provided annual financial support for festivals, community projects and local initiatives that contribute to Council Plan priorities and enhance life for Maribyrnong communities. In 2013/2014 Council allocated \$438,730 across two programs:

- » The Festival Grants Program allocated \$303,787 funding to 13 organisations for festivals including successful new comer Jazz Out West (part of Melbourne International Jazz

Festival) and community favourites such as Carols in the Gardens and the Ethiopian New Year Festival and Albanian Festival. Street based festivals such as East Meets West, Lunar New Year, Yarraville and Seddon festivals and Big West delivered collaborative and innovative performances by local artists

- » The Community Grants Program provided \$134,943 for a diverse range of local projects and initiatives including small grants, seniors, community development, arts and culture, environment and large grants.

In 2013 more than 12,000 people celebrated our inaugural New Year's Eve event in Footscray Park, featuring entertainment and fireworks.

6.1 Corporate governance

Maribyrnong City Council is constituted under the *Local Government Act 1989* (the Act) to provide democratic local government to its community. The purposes and objectives of Council, as well as the functions and powers of local government, are also defined in the Act.

The roles of Council are:

- » Acting as a representative government by taking into account the diverse needs of the local community in decision making
- » Providing leadership by establishing strategic objectives and monitoring their achievement
- » Maintaining the viability of Council by ensuring that resources are managed in a responsible and accountable manner
- » Advocating the interests of the local community to other communities and governments
- » Acting as a responsible partner in government by taking into account the needs of other communities
- » Fostering community cohesion and encouraging active participation in civic life.

Council's formal decision making processes are conducted at public Council and Special Committee meetings. Council also has extensive delegations in place to enable the Chief Executive Officer and key Council staff to carry out their responsibilities. These delegations are exercised in accordance with adopted Council policies and through formal instruments of delegation, in accordance with the Act.

Council adopted a number of significant policies, strategies and plans during 2013/2014 including:

- » Council Plan 2013-2017
- » Council Budget 2013/2014

- » Culturally and Linguistically Diverse Communications Strategy
- » Road Management Plan
- » Fraud Corruption and Control Policy
- » Revitalising Braybrook Action Plan
- » Domestic Animal Management Plan
- » Indigenous Policy and Reconciliation Action Plan
- » Maribyrnong Library Service Library Plan
- » Good Design Agenda and Good Design Standard
- » Open Space Asset Management Plan
- » Council Meeting Procedure
- » Festival City Policy.

Council meetings

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

On three occasions in 2013/2014 Council meetings were held in different locations across the municipality. In July, Council met at the Yarraville Senior Citizens Centre. In September Council met at Maribyrnong Community Centre and in May 2014 met at Caroline Chisholm College. These meetings provided greater opportunity for community engagement and participation and Council will continue to meet at community venues in 2014/2015.

Special committees

In February 2012, Maribyrnong Council established two section 86 Committees, namely the Community and Services Special Committee and the City Development Special Committee. These Special Committees have delegated authority to make decisions on behalf of Council, subject to certain limitations as set by the Act.

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.

No Special Committee Meetings were held during school holiday periods to maximise possible community participation.

Inner Melbourne Action Plan

Membership of Inner Melbourne Action Plan (IMAP) includes Mayors and Chief Executive Officers of all member councils: Maribyrnong, Melbourne, Yarra, Stonnington and Port Phillip. Each has established Special Committees with identical terms of reference.

In June 2013, Maribyrnong Council established the IMAP Implementation Committee as a Special Committee in accordance with Section 86 of the *Local Government Act 1989*.

IMAP councils work together on issues impacting Melbourne's inner city region. Transport and connectedness, housing affordability, a sustainable environment and liveability are the key areas of IMAP's work. Eleven regional strategies and 57 actions are set out by IMAP to help make Melbourne one of the world's most liveable cities. IMAP meetings are held quarterly with the location of the meetings rotated through each member council.



Chair of Council Meetings

July 2013 to October 2013 – Cr Catherine Cumming, Mayor

November 2013 to June 2014 – Cr Grant Miles, Mayor.

Chair of Community and Services Special Committee

July 2013 to October 2013 – Cr Michael Clarke

November 2013 to June 2014 – Cr Catherine Cumming.

Chair of City Development Special Committee

July 2013 to October 2013 – Cr Sarah Carter

November 2012 to June 2013 – Cr Cameron McDonald.

Planning forums

Planning forums are held as required throughout the year. This forum enables Councillors and officers to meet with planning permit applicants and objectors to hear firsthand about proposed developments and issues of concern before decisions are made.

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' report, as part of Council's commitment to govern responsibly and transparently.

06

06 GOOD GOVERNANCE

Councillors on Committees – July 2013 to June 2014

(Note: election was held in October 2012)

Committee/Advisory Group	July 2013 to December 2013	January 2014 to June 2014
Annual Youth Forum	Cr Nam Quach	Cr Nam Quach
Audit Committee	*Mayor ex-officio Cr Cameron McDonald Cr Michael Clarke	*Mayor ex-officio Cr Cameron McDonald Cr Michael Clarke
Brooklyn Community Reference Group	Cr Michael Clarke	Cr Michael Clarke
Chief Executive Officer Performance Review Committee	No appointment made in the 2013/2014 reporting year	*Mayor ex-officio Cr Sarah Carter Cr Cameron McDonald Cr Catherine Cumming
Civic Awards Panel	*Mayor ex-officio	No councillor appointment made
Disability Advisory Committee	*Mayor ex-officio	*Mayor ex-officio
Heritage Advisory Committee	Cr Cameron McDonald	Cr Cameron McDonald
Inner Melbourne Action Plan Implementation Committee	*Mayor	*Mayor
LeadWest Board	Cr Sarah Carter Cr Martin Zakharov (substitute)	Cr Sarah Carter Cr Martin Zakharov (substitute)
Maribyrnong Arts and Cultural Advisory Committee	Cr Martin Zakharov	Cr Martin Zakharov
Maribyrnong Rail Impacts Community Group	Cr Grant Miles Martin Zakharov	Cr Grant Miles Martin Zakharov
Maribyrnong Safety Advisory Committee	Cr Nam Quach	Committee ceased



Committee/Advisory Group	July 2013 to December 2013	January 2014 to June 2014
Metropolitan Local Governments' Waste Forum	Cr Catherine Cumming	Cr Catherine Cumming
Metropolitan Transport Forum	Cr Grant Miles Cr Martin Zakharov	Cr Catherine Cumming Cr Martin Zakharov
Metropolitan Waste Management Group Board (Ministerial Appointment)	Cr Catherine Cumming	No councillor appointment made
Metropolitan Waste Management Group	Cr Catherine Cumming	No councillor appointment made
Municipal Association of Victoria	Cr Michael Clarke Cr Catherine Cumming (substitute)	Cr Michael Clarke Cr Sarah Carter (substitute)
Municipal Association of Victoria Human Services Advisory Group	Cr Sarah Carter	No councillor appointment made
Older Persons Reference Group	No councillor appointment made	Cr Cameron McDonald
Port of Melbourne Project Liaison Group	Cr Grant Miles Cr Martin Zakharov	Cr Nam Quach Cr Martin Zakharov
Regional Rail Link Community Reference Group	Cr Grant Miles	Cr Grant Miles
Road Westgate Community Road Safety Council	No councillor appointment made	Cr Nam Quach
Truck Curfew Committee	Cr Grant Miles Cr Martin Zakharov Cr Michael Clarke	Committee ceased
Victorian Local Governance Association	Cr Sarah Carter Cr Grant Miles (substitute)	Cr Sarah Carter Cr Grant Miles (substitute)
Western Melbourne Tourism Board	Cr Sarah Carter	Cr Sarah Carter

*From 1 July 2013 to 29 October 2013, Cr Catherine Cumming was Mayor. From 30 October 2013 to 30 June 2014, Cr Grant Miles was Mayor.

06 GOOD GOVERNANCE

6.2 Our planning and accountability framework

Council is committed to transparency and accountability to the community and other levels of government as to how the community's rate money is 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 framework⁵.

Planning and accountability Framework



The Victorian Government has introduced a new Local Government Performance Reporting Framework, which is mandatory for councils in the 2014/2015 planning and reporting cycle.

These amendments require councils to collect data from 1 July 2014 and report the results in their 2014/2015 annual reports.

The new framework measures performance across four indicator sets: governance and management, service performance, financial performance and sustainable capacity. The indicators have been developed across three themes: service performance, financial performance and sustainability.

Under the framework, Maribyrnong City Council will be required to report to the Victorian Government on 92 measures and indicators.

Council has participated in the framework's pilot phase and were able to respond to 97 per cent of the required data. The Department of Transport, Planning and Local Infrastructure has acknowledged Maribyrnong's strong capacity to report against the indicators and measures and meet mandatory reporting deadlines.

We were able to respond to 97 per cent of the required data under the new State government performance reporting framework.

⁵ Adopted from Department of Transport, Planning and Local Infrastructure, 2014

07

Report of operations

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

- » our overall achievement against the Annual Action Plan 2013/2014
- » wellbeing outcomes
- » projects
- » our assets and capital improvement program.

Each of the key commitments in 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, most significantly the problem of cost shifting from other levels of government, repaying Council's inherited debt and managing asset renewal. Council's Long Term Financial Plan relies in part 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

Development of Council Plan 2013-2017, incorporating our Municipal Public Health and Wellbeing Plan, involved extensive community consultation through workshops, activities and a survey. More than 600 people and organisations took part in the consultation, which helped set Council's vision and priority areas for the next four years.

Council Plan 2013-2017 was adopted by Council on 25 June 2013.

The plan outlines the vision, strategic objectives and wellbeing outcomes and states our vision for the four years to 2017:

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

The plan commits to six strategic objectives and these provide the primary direction for our Council and organisation. They are:

1. Urban Growth
2. Liveability
3. Economic Prosperity
4. Transport
5. Environmental Sustainability
6. Organisational accountability.

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

Wellbeing outcomes

Maribyrnong City Council's primary objective is to promote and protect the wellbeing of our community and to achieve this we commit to putting people first. Individual and community wellbeing is achieved when everyone has, and feels they have, the ongoing opportunity to reach their full potential in all aspects of their life.

We are committed to creating and improving the physical, social, natural, cultural and economic environments that keep people well now and into the future.

Everything we do has an impact on community wellbeing and every Council policy, strategy, decision and action is informed by our commitment.

Nine wellbeing outcomes underpin the Council Plan, as shown over the page.





07 REPORT OF OPERATIONS



WELL PLANNED CITY – Well planned neighbourhoods, city design and development that are attractive and provide safe and accessible spaces for all.



CULTURAL VIBRANCY – A city that respects, celebrates and protects the history and diversity of our heritage, cultural precincts, the arts and community spaces.



ECONOMIC PROSPERITY – Economic activity that supports local investment, local employment and access to income as well as pathways to education and training.



EQUITY – Equitable access to quality resources that support individual and community wellbeing now and into the future.



COMMUNITY HARMONY – A strong sense of community built on diversity of gender, age, culture, ability, lifestyle and faith that support social inclusion and community decision making.



LIVEABILITY – A city that has liveable places and community infrastructure that promotes social connections and improves quality of life for everyone.



ENVIRONMENTAL SUSTAINABILITY – A city and organisation that implements environmentally sustainable policies, practices and procedures that protect the environment and promote the sustainable use of natural resources.



SUSTAINABLE TRANSPORT – Accessible, affordable and safe transport options for all community members that encourage sustainable and active transport around the municipality.

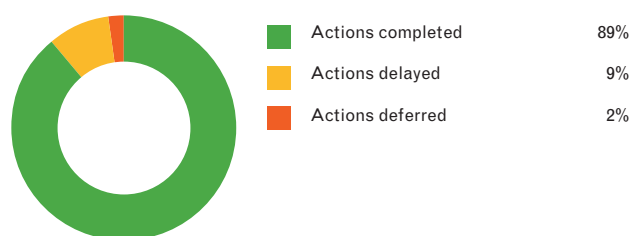


EFFICIENT WORKFORCE – An effective and efficient workforce that demonstrates engagement, innovation, accountability, transparency, good governance and sustainable economic practices that ultimately build and support municipal-wide wellbeing.

Report on 2013/2014 actions

As part of annual planning, Council committed to 115 actions across six key strategic objectives. The organisation's progress on these actions has been reported to Council quarterly.

The chart below shows the proportion of actions completed, delayed or deferred.



Legend



The two projects deferred are:

1. *Implement Council's Aged Care Plan 2013-2022.* This was put on hold as significant national reforms, which will impact on the implementation of the plan, are anticipated in the later part of 2014.
2. *Develop a detailed concept plan for Quarry Park.* This project was deferred due to additional environmental and ground management requirements needed to satisfy Environment Protection Authority Victoria.

The next section will provide an overview of actions completed under each of the strategies across the six strategic objectives.





7.1 Urban Growth

Strategic objective

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

Achievements in 2013/2014

We committed to deliver 28 actions to support the following five strategies.

Strategy	No of action committed	No. of actions completed (90%+)	% of actions delivered
Build a well planned city for our growing population, which is respectful of all people.	12	10	83%
Champion innovative best practice design.	4	4	100%
Protect the city's heritage, unique neighbourhood character and waterway environments.	4	2	50% *
Develop social spaces that facilitate use by the community including securing new and improved open spaces to meet increasing population needs.	6	5	83%
Establish benchmarks for provision of facilities and infrastructure in new developments.	2	2	100%

Of the 28 actions, 82 per cent were completed. This includes:

- » Completing the Maribyrnong Open Space Strategy
- » Conducting the 2013 Annual Community Survey
- » Preparing an Urban Design Framework for Highpoint
- » Preparing Footscray Central Activities Area Structure Plan
- » Implementing the Design Excellence Program

- » Undertaking design feasibilities for new and expanded community facilities such as Footscray Hub, Maribyrnong Aquatic Centre's gym expansion and a community facility at Highpoint

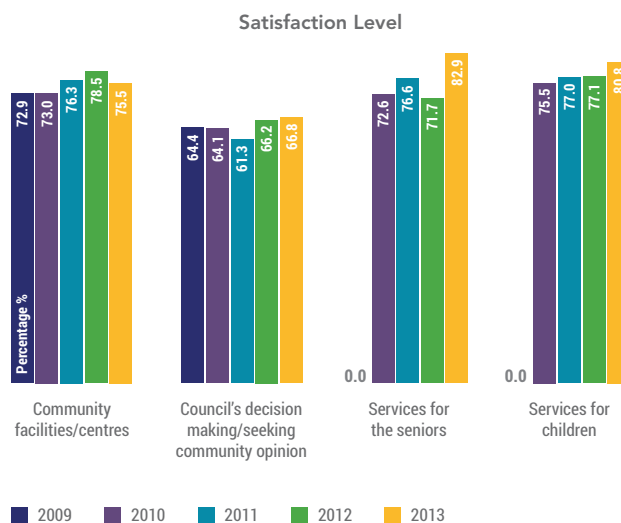
- » Delivering the 2013/2014 Parks Improvement Plan

- » Starting construction of the Braybrook Community Hub.

The two projects that are underway but have not been completed are:

- » Developing Planning Policy and Guidelines to implement the Maribyrnong River Planning Guidelines
- » Extension of the Maribyrnong River Trail and associated user facilities.

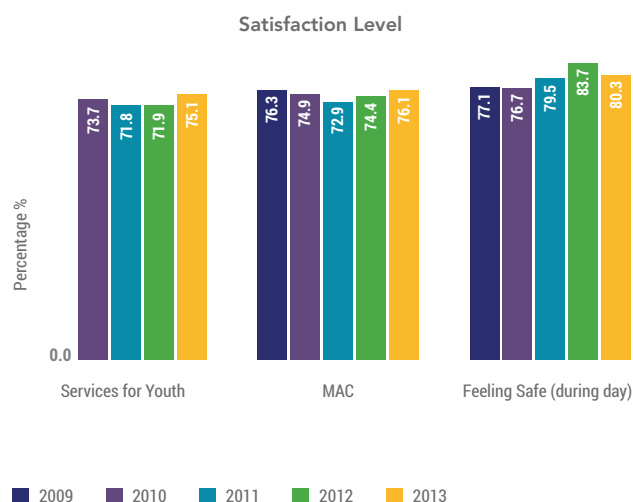
Strategic indicators



Source: Maribyrnong Annual Community Survey

The 2013 results show an increase in satisfaction scores for 'services for the seniors' and 'services for children'. A lower satisfaction score was received from the previous year for 'community facilities/centres' – however the score is still categorised as 'very good'.

07 REPORT OF OPERATIONS



Source: Maribyrnong Annual Community Survey

The 2013 results show an increase in satisfaction for 'services for youth' and the 'Maribyrnong Aquatic Centre'. Although there was a slight drop in satisfaction for 'feeling safe (during day)' – the score is still categorised as 'excellent'.

7.2 Liveability

Strategic objective

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

Achievements in 2013/2014

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

Strategy	No of action committed	No. of actions completed (90%+)	% of actions delivered
Improve the city's amenity to create safe, high quality and inviting public places, services and facilities for all.	12	12	100%
Increase opportunities for community participation in Council's decision making.	2	2	100%
Celebrate and promote our history, creativity and diversity.	7	7	100%
Advocate on issues of importance to our community.	5	5	100%
Develop strong partnerships with a range of organisations and stakeholders to provide social, economic, built and cultural environments that support community wellbeing.	11	11	100%



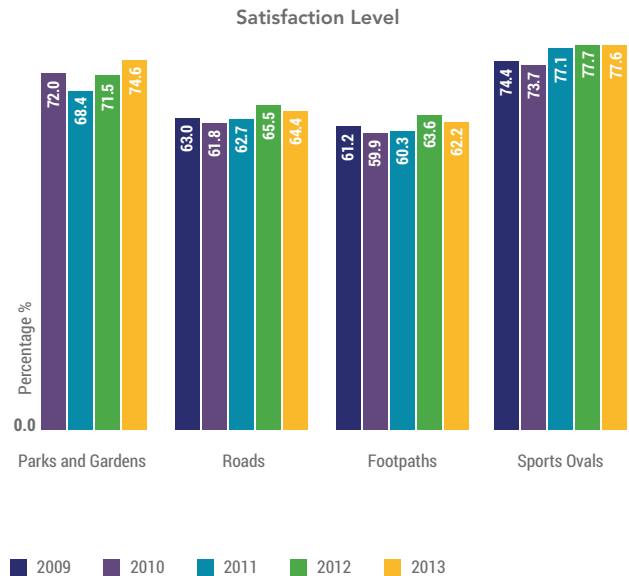
All 37 actions were fully completed. Projects included:

- » Delivering improvements to our roads, parks, footpaths, laneways and drainage
- » Completing the final evaluation of the Footscray Public Safety CCTV system
- » Enhancing our communication tools to improve engagement with our community
- » Promoting our Public Art Program
- » Collaborating with other councils on the Inner Melbourne Action Plan
- » Increasing the capacity of our Youth Leadership Advisory Committee to represent voices of young people in our decision making
- » Establishing a Friendly Neighbourhood Program for older persons and people with disabilities.

Strategic indicators



The 2013 results show an increase in satisfaction for 'public toilets', and a fairly stable scores for 'litter collection in public places', street sweeping' and 'street lighting' – the scores are categorised as 'good'.



Source: Maribyrnong Annual Community Survey

The 2013 results show an increase in satisfaction for 'parks and gardens' and 'sports ovals', and a slight drop in satisfaction for 'roads' and 'footpaths'. The scores are categorised a 'solid' or 'very good'.



07 REPORT OF OPERATIONS

7.3 Economic Prosperity

Strategic objective

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

Achievements in 2013/2014

We committed to 16 actions to support the following five strategies.

Strategy	No of action committed	No. of actions completed (90%+)	% of actions delivered
Promote and advocate for lifelong learning.	3	3	100%
Support new industries and sectors that create a variety of local employment opportunities and encourage skill development.	3	1	33%*
Promote Footscray as a university/knowledge city.	3	3	100%
Encourage greater investment in the city through creative industries, the Festival City Program and safe, attractive places.	3	2	67%
Develop a more sustainable and equitable municipal economy and work with neighbouring councils to promote economic activity.	4	3	75%

Of the 16 actions, 75 per cent were completed. This included:

- » Developing our Lifelong and Literacy Strategy to strengthen pathways to learning opportunities and improved literacy
- » Delivering small business training and mentoring in partnership with the Victorian Government
- » Signing a Memorandum of Understanding with Victoria University to position Footscray as a University Town

- » Delivering, reviewing and exploring new opportunities for Maribyrnong's profile as a place for diverse, exciting and connected festivals and major events
- » Developing draft Housing Affordability Development Guidelines in partnership with other western region councils.

The two projects that are underway but have not been completed are:

- » 'Progress a creative industries incubator for Maribyrnong' – due to unsuccessful submission for funding. We will continue to seek funding during 2014/15
- » 'Deliver in partnership with State Government business development programs such as 'Grow Your Business' for medium sized enterprises'. This action has been deferred to 2014/15 due to the lateness in State Government funding decision.

Strategic indicators



Source: Maribyrnong Annual Community Survey

The 2013 results show an increase in satisfaction for 'promoting economic development'. Although there was a slight drop in satisfaction for 'library services' and 'community centre' – the scores are still categorised as 'excellent'.

7.4 Transport

Strategic objective

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

Achievements in 2013/2014

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

Strategy	No of action committed	No. of actions completed (90%+)	% of actions delivered
Create a connected, pedestrian focused and bicycle friendly city.	4	4	100%
Improve amenity and reduce impacts of traffic congestion on our community through traffic management measures.	1	1	100%
Advocate for a safe, efficient, accessible and sustainable transport system to avoid adverse health and safety impacts on residential communities.	4	4	100%
Support an expansion of safe and accessible train, tram and bus services that facilitate population and employment growth.	2	2	100%
Support the efficient movement of freight on designated routes across the municipality.	3	3	100%

Of the 14 actions, 100 per cent were completed. This included:

- » Implementing year two Walking Strategy recommendations
- » Upgrading existing bicycle network routes
- » Working in partnership with our key stakeholders to identify health issues associated with truck pollution
- » Working with Regional Rail to implement the Victorian Government's Rail Noise Policy

- » Advocating to the Victorian Government for an improved transport corridor to North Maribyrnong precinct
- » Continuing advocacy to the Victorian Government on monitoring and compliance of the local truck curfew.

Strategic indicators



Source: Maribyrnong Annual Community Survey

The 2013 results show an increase in satisfaction for 'on and off road bike paths' and a slight drop in satisfaction for 'traffic management' and 'parking enforcement' –the scores are categorised as 'solid' or 'good'.



Source: Maribyrnong Annual Community Survey

The 2013 results show a slight increase in satisfaction for 'speed of traffic' and a drop in satisfaction for 'number of truck on main road'. There was no change in satisfaction for 'volume of traffic on local roads' – the score is categorised as 'good'.

07 REPORT OF OPERATIONS

7.5 Environmental Sustainability

Strategic objective

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

Achievements in 2013/2014

We committed to 9 actions to support the following five strategies.

Strategy	No of action committed	No. of actions completed (90%+)	% of actions delivered
Collaborate with the community and key stakeholders to support local sustainability initiatives.	1	1	100%
Educate the community on environmental issues and best practice in waste management.	3	3	100%
Ensure all new Council buildings meet high environmental design standards.	1	.5	50% *
Protect our natural environment through sustainable practices to create a Greener city.	3	3	100%
Manage issues relating to landfill and contamination.	2	2	100%

Of the nine actions, 95 per cent were completed. This included:

- » Developing and implementing our Maribyrnong Recycling Champions Project
- » Delivering community education on environmental issues
- » Implementing Council's tree planting program
- » Developing and implementing the My Smart Garden Program in conjunction with other regional councils
- » Participating in the Greening West Project.

The project that is underway but has not been completed is:

- » Develop Service Standards and Cyclic Program Maintenance Plans for all operational assets – this action will be completed during 2014/15.

Strategic indicators



Source: Maribyrnong Annual Community Survey

The 2013 results show a slight increase in satisfaction for 'responsibilities towards the environment' and a drop in satisfaction for 'green waste collection' and 'regular recycling' – however, the scores are still categorised as 'excellent' and 'very good'.





7.6 Organisational Accountability

Strategic objective

We will implement a transparent, engaging and accountable governance structure to deliver this Council Plan.

Achievements in 2013/2014

We committed to 10 actions to support the following five strategies.

Strategy	No of action committed	No. of actions completed (90%+)	% of actions delivered
Create an engaging, transparent and accountable organisation, focusing on sustainability, leadership and service improvements.	4	2	50%*
Report on the wellbeing outcomes committed to in the Council Plan.	1	1	100%
Implement the new technology and systems required to support business transformation, innovation and service delivery.	2	2	100%
Continue to measure and improve our performance through our service review program.	2	2	100%
Improve our relationship with our community and stakeholders by fostering partnerships and encouraging the use of social media.	1	.7	75%

Of the 10 actions, 70 per cent were completed. This included:

- » Developing our 10 year Financial Plan and Strategic Directions for Council's Capital Works Program
- » Starting the development of our Workforce Planning Strategy

- » Introducing Radio Frequency Identification Device technology in our libraries
- » Implementing phase one, two and three of new technology and systems to support our Business Transformation processes
- » Continuing to roll out our Best Value Service Review Program.

The projects that are underway but have not been completed are:

- » Develop and implement Workforce Planning Strategy to ensure Council is positioned for growth and change. This action will be completed by June 2015
- » Develop and implement Organisational Risk Management Framework. This action will be completed by December 2014.

Strategic indicators



Source: Maribyrnong Annual Community Survey

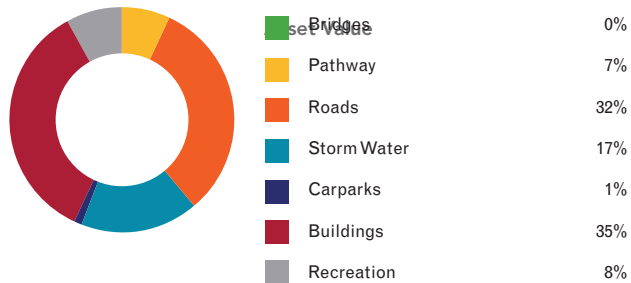
The 2013 results show a significant increase in satisfaction for 'responsiveness to local community needs' and a slight increase in satisfaction for 'representation, lobbying and advocacy' and 'maintaining trust and confidence of local community'. There was no change in satisfaction for 'seeking community opinion and feedback' – the score is still categorised as 'good'.

Our assets

Asset management

Council's total assets are valued at \$675 million. This includes major asset classes such as roads, parks, drains, buildings, car parks and bridges. The figure excludes trees, fleet, information technology and library books. If these were included our total assets would be \$800 million.

The chart below presents a breakdown of asset value by major asset class.



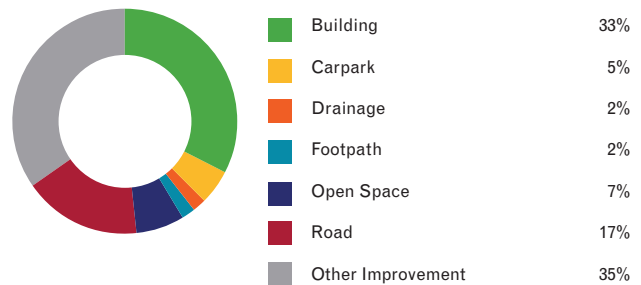
Council works towards improving the standard of its assets and has developed a renewal strategy to reduce the asset backlog over the next decade. In recognition of our work, we have achieved a high competency score through the Municipal Association of Victoria's STEP Program.

Maribyrnong is one of 14 Victorian councils to achieve CORE competency and comply with the National Asset Management Framework. Over the next three years our objective is to achieve an Advanced Level of asset management under the framework.

Capital and improvement

The following chart presents the 2013/2014 Capital and Improvement Program breakdown of actual expenditure by major asset classes.

Capital and improvement program 2013/14



These are examples of projects completed under our Capital and Improvement Program.

Parks and reserves

- » Playground compliance and upgrades in our early years centres
- » Cranwell Reserve Masterplan implementation
- » Parks Improvement Program
- » Stony Creek Directions Plan implementation
- » Infrastructure improvements at Footscray Park
- » Renewal of park fencing



Roads

- » Upgrading 15 local roads, including kerb and channel and road reconstruction, totalling 5 km
- » Re-sheeting 11 roads with an asphalt overlay, totalling 4.3km

Footpaths

- » Reconstructing footpaths in 14 streets and the bank of Stony Creek covering 2.2kms

Car park improvements

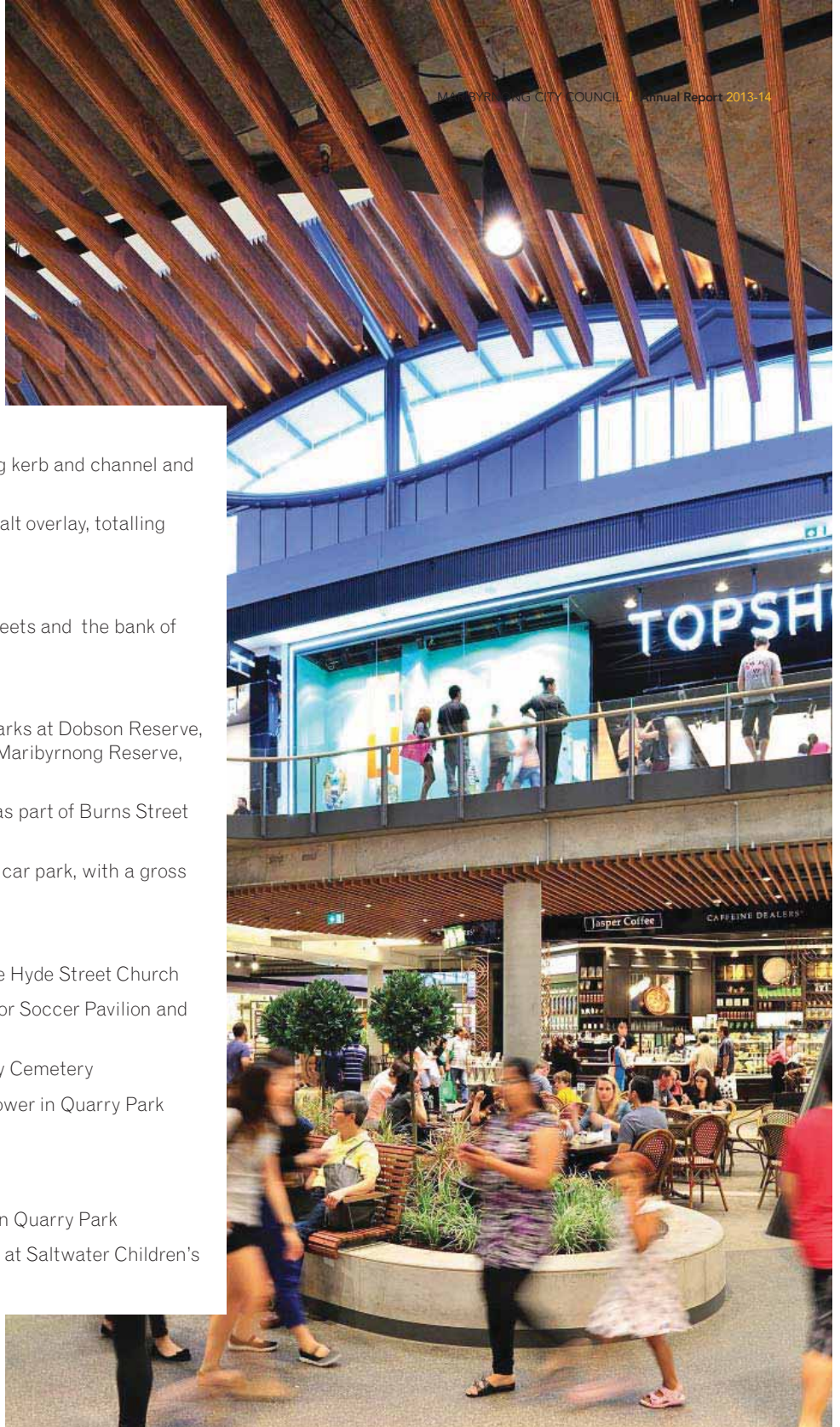
- » Significant improvements to car parks at Dobson Reserve, Pickett Street, Yarraville Oval and Maribyrnong Reserve, totalling 4,930 m2 in area
- » Constructing a separate car park as part of Burns Street Family and Children's Centre
- » Constructing Southampton Street car park, with a gross area of 9,000m2

Buildings

- » Restoration works at the bluestone Hyde Street Church
- » Completing refurbishment of McIvor Soccer Pavilion and Hanmer Reserve Pavilion
- » Demolishing buildings at Footscray Cemetery
- » Demolishing the unsafe Lookout Tower in Quarry Park
- » Demolishing Maidstone Hall

Contamination

- » Constructing gas venting system in Quarry Park
- » Remediated licensed outdoor area at Saltwater Children's Centre.



Our Organisation

Our executive team

The current Executive Management Team has six members.



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.

Stephen Wall

has been appointed as the new CEO, commencing on 22 October 2014



Arden Joseph

Director Community Wellbeing

Community Wellbeing 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: early childhood services, including maternal and child health, through to services for young people, families and older members of the community. The directorate is also responsible for recreation services including Maribyrnong Aquatic Centre.

Areas of responsibility

- » Aged & diversity
- » Family & youth services
- » Community learning & libraries
- » Leisure services
- » Community infrastructure & social development



Celia Haddock

Director Corporate Services

Corporate Services provides services essential to maintaining the organisation's operation and sustainable development.

Services include information technology, communications, governance, property management, contracts and procurement, customer service, Council planning and performance reporting, and managing the Council in a financially responsible and sustainable manner.

Risk and Emergency Management (from April 2014). Human Resources Management (from January 2014).

Areas of responsibility

- » Information systems
- » Finance
- » Risk & emergency management
- » Governance & customer service
- » Contracts & procurement
- » Strategic marketing, Communications & advocacy
- » Human resource management
- » Council plan & reporting



Ian Butterworth

Director Infrastructure & Engineering

Infrastructure and Engineering is responsible for strategic planning and development of physical assets in the city.

This includes 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, waste and cleansing services and maintenance of parks and gardens.

Until April 2014 the Directorate was also responsible for Risk and Emergency Management.

Areas of responsibility

- » Asset management & construction
- » Capital projects delivery
- » Civil design & transport
- » Engineering projects
- » Operations & maintenance
- » Sustainability & environment



Nigel Higgins

Director Sustainable Development

Sustainable Development 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. It is responsible for regulatory services in the areas of building services, environmental health and traffic and local law and compliance.

Nigel Higgins acted in the CEO position from 10 July 2014.

Areas of responsibility

- » City strategy
- » Urban planning
- » City design
- » Development facilitation
- » Regulatory services



Marnie Williams

Executive Manager Organisational Development & Business Transformation

Organisational Development and Business Transformation (OD/BT) is responsible for the continuing development of our organisation.

OD/BT focuses on organisational development, corporate planning, Best Value service review, continuous improvement and business transformation, and the implementation of business processes and systems.

Until December 2013 OD/BT was also responsible for Human Resources Management.

Areas of responsibility

- » Business transformation
- » Corporate planning & performance

09 OUR ORGANISATION

Organisational effectiveness

The *Local Government Act 1989* requires Council to prepare a strategic resource plan which includes both the financial and non-financial resources required to achieve the strategic objectives of 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

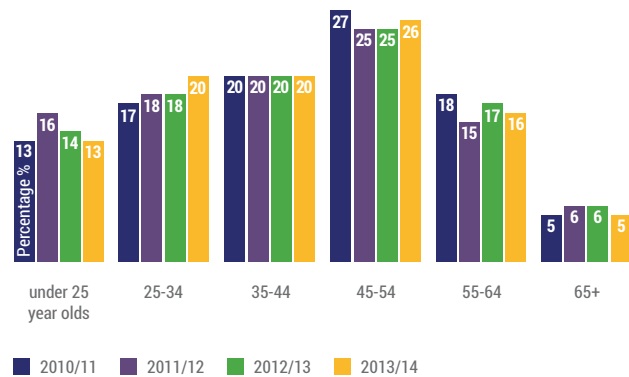
This includes the promotion of honesty, loyalty, ethical behaviour and trustworthiness.

Our staff

As at the end of June 2014, Council had 850 employees (based on active paid headcount).

Of the total number of staff, 61 per cent were female and 39 per cent were male.

Age Group of Staff

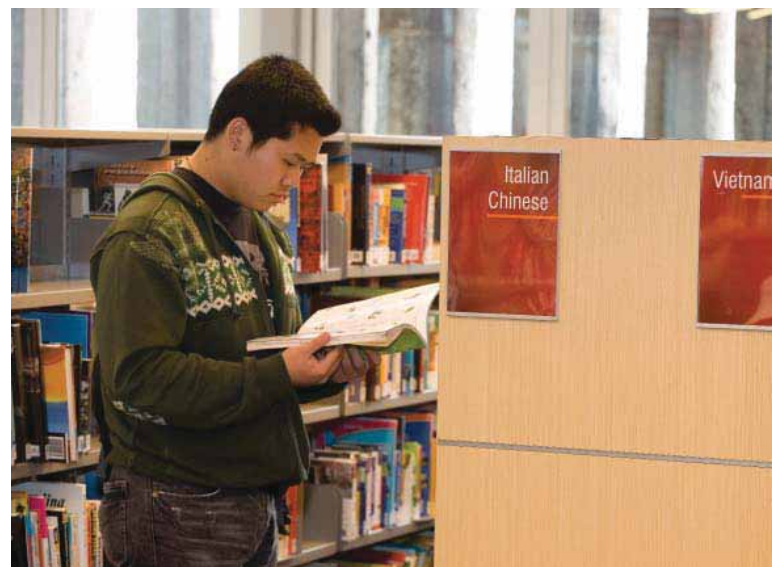
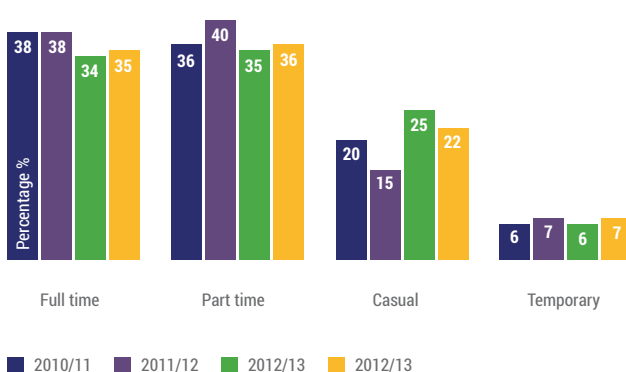


Staff turnover

Council's staff turnover rate decreased from 12 per cent in 2012/2013 to 11 per cent in 2013/2014. This is lower than the State average of just over 12 per cent.



Staff employment status



Organisational culture and capability at Maribyrnong

Council is committed to a workplace culture where the growth of our employees is valued and encouraged. Quality, equitable and meaningful programs are part of Council's approach to meeting the needs of our growing city and community.

Council provides a range of learning and development programs to its staff, including:

- » Open learning to address our broad learning and development needs
- » Occupational Health and Safety compliance training
- » Acting, secondment and mentoring opportunities
- » Study assistance for higher education
- » Targeted training to respond to departmental or service needs.

Council strives to continually improve. For example, we have expanded our leadership development program for 2014/2015. The program targets staff at all levels to identify and develop our emerging leaders and enhance the capabilities of our current leaders.

Awards

Council staff won two prestigious awards during 2013/2014:

Aquatic and Recreation Industry Award recognition

Carol Crofts, Aquatic Services Coordinator at Maribyrnong Aquatic Centre received the 'Outstanding Contribution to the Aquatic and Recreation Industry Award'.

This award is the highest recognition provided by the industry and acknowledges the outstanding achievement and contribution made by an individual to the Victorian Aquatic and Recreation Industry.

Award for excellence in Youth Work Practice

Christopher Lynch, Maribyrnong Youth Services received the 'The Danny Sandor READY award for excellence in Youth Work Practice'.

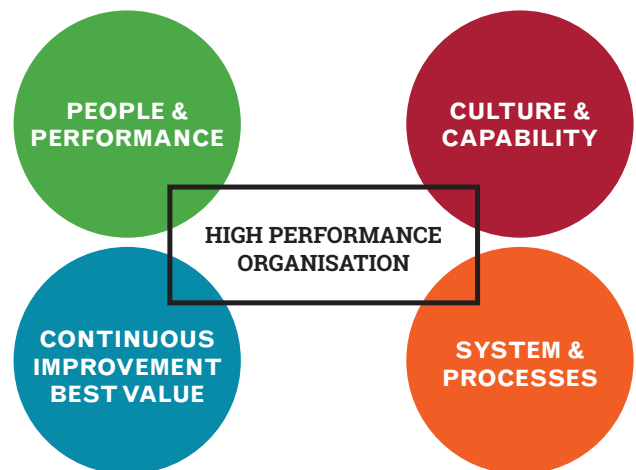
The award was received from the Victorian Local Governance Association (VLGA) and Youth Affairs Council of Victoria (YACVic)

Business transformation

In June 2012, Council commenced its Business Transformation Program.

The program is a whole of organisation culture change targeting four key planks:

- » Continuous Improvement and Best Value: our commitment to business excellence through innovative solutions
- » People and Performance: strengthening our people and performance capacity and capability
- » Culture and Capability: a resilient, adaptive and innovative organisational culture
- » Systems and Process: excellence in organisational design of business processes and systems.



Vital to our transformation program is our new comprehensive IT system. The new system streamlines our internal processes and improves customer experience for our residents, ratepayers, stakeholders and the broader community. The first phase of the system was rolled out in July 2014 and the system is expected to be complete by early 2016.



Compliance and accountability

Risk management

Council is committed to the effective management of risk.

This includes developing a risk-awareness culture amongst staff. In the last 12 months, Council has undertaken a significant risk management review of its many activities. By understanding and managing these risks, Council has greater certainty in our decision making processes and the services we provide.

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 focus on proactive and preventative safety programs aimed at improving safety culture and awareness. Using the 2013 OHS service review as a platform, the OHS function has taken a holistic approach to improving workplace health and safety by placing emphasis on the physical environment, overall employee health and wellbeing as well as the psychosocial environment.

Workplace health and safety is a priority for Council's Executive Management Team. Highlights of our OHS services and program for 2013/2014 include:

- » Significantly reducing days lost by employees through workplace injuries
- » Completing the Healthy Carer Program to improve the overall health and injury prevention within our home support teams
- » Developing and reviewing safe work procedures and risk assessments across a range of teams including horticulture, cleansing and turf maintenance
- » Training and improvement in hazard and near miss reporting across the Council
- » Training in incident investigation and injury management for team leaders, coordinators and managers
- » WorkSafe Week activities including safety recognition awards

- » Implementing our 2013/2014 Health and Wellbeing Program
- » Reduction in our total Workcover premium

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 continual improvement in the provision of services to its community
- » Council must develop a program of regular consultation with its community, and report back regularly on its achievements, in relation to the principles.

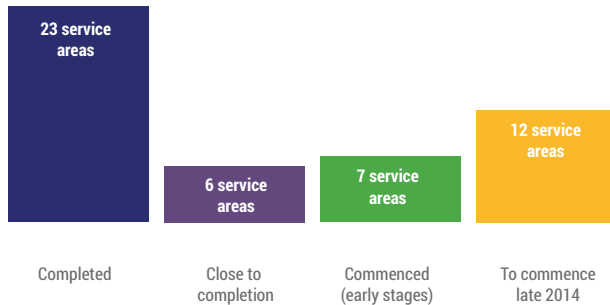
In 2011, Council developed and implemented its Continuous Improvement / Best Value Service Review Framework as a foundation for organisational culture change. The framework sought an integrated and consistent approach to service planning and reviews and its implementation strategy was designed for the adoption of continuous improvement practices in organisational accountability, performance and engagement.

Council's Continuous Improvement Program is driven by:

- » Ensuring Council is demonstrably meeting the requirements of the *Local Government Act 1989*, which requires councils to apply Best Value principles to their services
- » Embedding the principles of Continuous Improvement into everyday practice and organisational culture
- » Testing current service levels and standards to identify opportunities for better management and use of our assets, workforce and finances
- » Clarifying priorities to ensure services are high in quality, value for money and responsive to change.

A total of 23 service reviews have been completed since the roll out service review program commenced in 2011.

The graph below shows an overview of the current rollout status of the program:



Completed service reviews

Below is a list of completed service reviews.

Service Area	Directorate
Arts and Culture	Community Wellbeing
Community Centres Network	Community Wellbeing
Diversity Services	Community Wellbeing
Early Years	Community Wellbeing
Libraries	Community Wellbeing
Maternal Child and Health	Community Wellbeing
Maribyrnong Aquatic Centre	Community Wellbeing
Positive Ageing Services	Community Wellbeing
Recreation Services	Community Wellbeing
Safer Communities and Health Promotion	Community Wellbeing
Youth Services	Community Wellbeing
Injury Management	Corporate Services
Payroll	Corporate Services
Rates	Corporate Services
Building Maintenance	Infrastructure and Engineering
Irrigation	Infrastructure and Engineering
Rapid Response	Infrastructure and Engineering
Sustainability and Environment	Infrastructure and Engineering
Transport	Infrastructure and Engineering
Animal Management and Compliance	Infrastructure and Engineering
Learning and Development	Organisational Development/ Business Transformation
City Design	Sustainable Development
Urban Planning	Sustainable Development

Most of the teams that have undertaken service reviews are now implementing their "Improvement Plans" and business processes. Over time, most of Council's core business processes will be documented in one central system, and accessible to all staff. This will further improve responsiveness, quality and cost of service delivery to our community.

The Service Review / Continuous Improvement journey has seen the organisation grow in its skills, systems and processes in undertaking service review/ continuous improvement activities.



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.

Regulation 11 of the *Local Government (General) Regulations 2004*, outlines the documents to be made available for public inspection at Maribyrnong Council offices, corner Napier and Hyde streets, Footscray, during office hours:

- a) details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the Act;
- b) (b) the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states—
 - I. ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10 000; and
 - II. the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (I);
- c) details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs;
- d) names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- e) names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- f) agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- g) a list of all special committees established by Council and the purpose for which each committee was established;
- h) a list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- i) minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- j) a register of delegations kept under sections 87 and 98 of the Act, including the dates on which the last reviews under sections 86(6) and 98(6) of the Act took place;
- k) submissions received in accordance with section 223 of the Act during the previous 12 months;
- l) agreements to establish regional libraries under section 196 of the Act;
- m) details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- n) a register of authorised officers appointed under section 224 of the Act;
- o) a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;
- p) a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;
- q) a list of contracts valued at \$150,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

In accordance with Section 222 of the *Local Government Act 1989* inspections of these documents can be arranged by contacting the Governance Department on 96880200. The documents can be also inspected at Council's office at Corner of Napier and Hyde Streets, Footscray.

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 18 applications under Freedom of Information for the period 1 July 2013 to 30 June 2014.

Local Laws

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

Governance Local Law (2011) – including by reference Council's Meeting Procedure (as amended February 2014)

Local Law No 6: General Purposes Local Law.

Protected Disclosure Act 2012

The purpose of the Protected Disclosure Act 2012 (the Act) is to encourage and facilitate disclosures of improper conduct by public officers and public bodies, and to establish a system for matters of improper conduct to be investigated.

The Act provides protection for any person affected by a protected disclosure regardless of whether it is a person who makes a disclosure, a witness to the improper conduct, or a person who is the subject of investigation.

The Act also provides for the protection of anonymity of people making, witnessing or are the subject of investigation of disclosures.

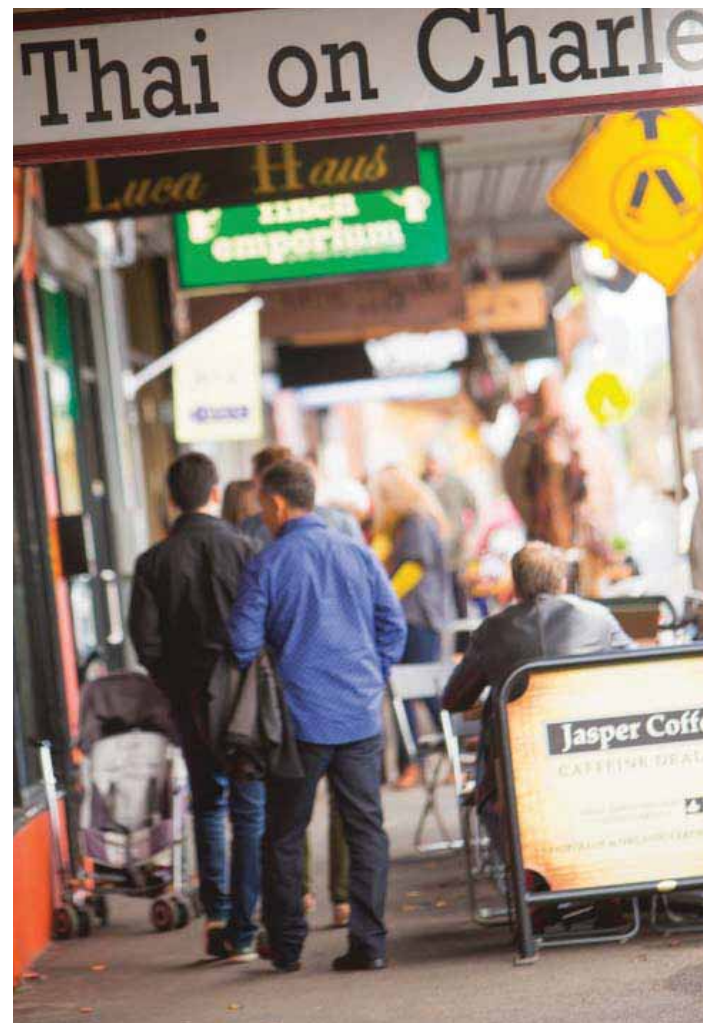
The Act was proclaimed on 10 February 2013 and supersedes the Whistleblowers Protection Act 2001.

Council has a nominated Protected Disclosure Coordinator. A copy of Council's Procedures have been available from Council's Protected Disclosure Coordinator and on Council's website throughout 2013-2014.

As required by Section 70 of 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 1 July 2013 to 30 June 2014 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.





11 STATUTORY INFORMATION

11.1 Council's performance 2013/2014

Annual indicators

		2013/14
Overall performance	Community satisfaction rating for overall performance of the Council	6.83
Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues	6.71
Engagement	Community satisfaction rating for Council's engagement in decision making on key local issues	6.70
All rates	Average rates and charges per assessment	\$2070.25
Residential rates	Average residential rates and charges per assessment	\$1684.02
Operating costs	Average operating expenditure per assessment	\$3,167.15
Capital expenditure	Average capital expenditure per assessment	\$672.71
Infrastructure	Renewal gap	167.71%
	Renewal and maintenance	211.76%
Debts	Average liabilities per assessment	\$827.58
Operating result	Operating result per assessment	\$58.89

11 STATUTORY INFORMATION

11.2 Performance statement 2013-2014

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 2013/14 Annual Report.

The following lists Council's Key Strategic Activities for 2013/2014.

	Key Strategic Activities	Target Completion Date	Performance Measures	Achieved Yes / No	Achievements
1.	Implement Council's tree planting program.	June 2014	A minimum of 1,000 trees planted and established across the municipality.	Yes	Implemented Council's tree planting program resulting in 2,650 trees planted across the municipality during the 2013-2014 financial year.
2.	Implement Council's Road Management Plan 2013.	June 2014	Adoption of the new Road Management Plan, and implementation of new actions.	Yes	The Road Management Plan has been adopted in July 2013 and actions implemented in line with the Plan.
3.	Develop and Implement the Maribyrnong Gems Program to Increase Recycling from kerbside collections.	June 2014	3% increase in recovered materials.	Yes	The Maribyrnong Gems Program has been implemented achieving a 3% increase in recovered materials. Through this program Council has been successful in receiving a matching grant of \$30,000 to extend this program for another year from Sustainability Victoria and the Australian Packaging Council.
4.	Review the Maribyrnong Strategic Bicycle Plan.	June 2014	Review completed.		The review of the Maribyrnong Strategic Bicycle Plan has been completed.
5.	Upgrade existing bicycle network routes.	June 2014	5% of the total bicycle network routes upgraded.	Yes	The capital works for the bicycle network have been completed across 5% of the bicycle network. Works have included completion of the Hyde Street protected on-road lanes, Roberts Street and Somerville Road on-road lanes, a host of smaller links and improvements and the continuation of the Bicycle Parking Hoops program.
6.	Develop Standard Development Framework for new facilities including environmental design standards.	June 2014	Standard Development Framework presented to Council by June 2014.	Yes	The Standard Development Framework (Capital Project Delivery Plan and Development Standards) has been completed and presented to the Executive Management Team. The Standard was deemed by EMT as an operational document and not required to be presented to Council.
7.	Complete the Maribyrnong Draft Open Space Strategy.	June 2014	Draft Open Space Strategy presented to Council for community consultation.	Yes	The draft Open Space Strategy has been completed and consultation undertaken.
8.	Prepare an Urban Design Framework for Highpoint.	June 2014	Urban Design Framework presented to Council.	Yes	The Highpoint Planning and Urban Design Framework and associated Planning controls have been prepared and presented to the City Development Special Committee on 24 June 2014. Amendment C135 (Highpoint Planning Scheme Amendment).

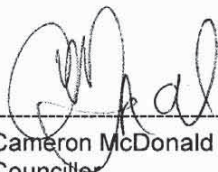
	Key Strategic Activities	Target Completion Date	Performance Measures	Achieved Yes / No	Achievements
9.	Develop Footscray Central Activities Area Structure Plan and Activity Centre Zone planning controls.	June 2014	Draft Footscray Central Activities Area Structure Plan and Activity Centre Zone presented to Council.	Yes	The amendment C125 Footscray Structure Plan and Activity Centre Zone has been adopted by Council on 18 March 2014.
10.	Prepare a Footscray University Town Concept Plan.	June 2014	Footscray University Town Concept Plan completed, and presented to Council.	Yes	A business plan, with associated actions has been jointly prepared by Maribyrnong City Council and Victoria University. The plan was endorsed by Council on 22 July 2014.
11.	Commence the construction of the Braybrook Community Hub and Burns St Early Years Centre.	January 2014	Construction commenced.	Yes	The construction of the Braybrook Community Hub and Burns Street Early Years Centre commenced.
12.	Provide accessible recreation opportunities for the community.	January 2014	'Active Maribyrnong' program developed.	Yes	<p>The Active Maribyrnong Program has been developed and implemented. Some of the achievements include:</p> <ul style="list-style-type: none"> • A total of 1,300 have registered in the program. • New netball competition at the RecWest Braybrook. • A new swimming program established at the Maribyrnong Aquatic Centre for people from a cultural and linguistically diverse background. • In partnership with the Western Bulldogs an all girls Auskick program was delivered with 47 registered participants.
13.	Advocate on key projects.	June 2014	<p>Regular meetings held with key stakeholders relating to the following projects:</p> <ul style="list-style-type: none"> • Melbourne Metro • East West Transport Link • Truck Action Plan. 	Yes	Council has a strong advocacy program. Part of this program focused on having regular meetings with key stakeholders relating to key projects that have significant impacts on the City.
14.	Commence the roll out of new technology and systems to support the delivery of efficient and effective services.	June 2014	Phase 1 implemented, according to roll out program.	Yes	Phases one, two and three Authority modules implemented on time and under budget. Phase three modules implemented included Finance, Procurement and Contracts, Business Information, Human Resources Information Management, Land Information, Rates, Animals and Infringements. Over 40 staff from across the business units worked directly on the project which resulted in minimal business interruption.

Council Approval of the Performance Statement

In our opinion the accompanying performance statement of the Maribyrnong City Council in respect of the 2013/2014 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.



Cameron McDonald
Councillor
9th September 2014
Footscray



Michael Clarke
Councillor
9th September 2014
Footscray



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Maribyrnong City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Maribyrnong City Council which comprises the statement, the related notes 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.

Independence

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

Independent Auditor's Report (continued)

Auditor's Opinion

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

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Maribyrnong City Council for the year ended 30 June 2014 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
15 September 2014


Dr Peter Frost
Acting Auditor-General



Finance Report

FINANCIAL OVERVIEW

Council adopted a Long Term Financial Strategy in the 2013/2014 financial year. The structure of the Long Term Financial Strategy (LTFS) includes objectives and targets which will ensure Councils long term sustainability. A part of the strategy includes Councils Long Term Financial Plan which was first implemented in July 2000. This Plan is reviewed annually as a part of the Long Term Financial Strategy.

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 \$4.2 million in June 2014.

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

This report provides an overview of the major results portrayed in Council's Financial Statements for the year ended June 30 2014.

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 \$5.3 million surplus in the 2013/14 financial year and has achieved a \$2.129 million surplus.

The major variances during the 2013/2014 financial year were.

- » Supplementary Rates \$2.4m
- » Statutory fees and fines \$2.7m
- » Open space contributions \$1.7m
- » Dispute settlement \$1.4m
- » Users fees (\$1.2m)
- » Grants (\$0.7m)
- » Transfer of controlled land to Ministry Of Housing \$10.03m

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

Capital Expenditure

Council's capital expenditure for the 2013/2014 financial year was \$24.3m million. A further \$6.4 million has been expended on assets but not capitalised.

Cash Holdings

Council's cash & investments at 30 June was \$56.739 million an increase over the previous financial year of \$4.448 million. This increase is mainly made up of projects budgeted for and nor completed as at 30th June and grants received in advance.

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 increased by \$33.6 million. The major cause of this increase is the increased level of capital works completed of \$24.3 million and land and building revaluation of \$24.9 million less depreciation, etc.

Outstanding Debtors (Receivables)

Council's debtors have increased by \$2.1 million. There has been a marginal decrease in payments relating to parking fines and Council rates

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 \$4.2 million.

Working Capital & Liquidity

The Working Capital Ratio or Liquidity position is a ratio of 2.62:1 at June 30th 2014, compared to 2.90:1 at June 30th 2013. This ratio is used to assess Council's ability to meet its current liabilities, by using its current assets. The ratio indicates \$2.61 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 to 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 2013/2014 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 2014. 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.



12 FINANCE REPORT

AUDIT COMMITTEE ANNUAL REPORT for year ending 30 June 2014

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:

20 August 2013
10 September 2013
19 November 2013
18 February 2014
15 April 2014
17 June 2014

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. Grant Miles, Mayor (Ex Officio)	6	1
Cr Cameron McDonald, Member	6	4
Cr Michael Clarke, Member	6	4
Linda MacRae, Chair Person	6	5
Mark Anderson, Independent Member	6	6

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, DFK Collins, was also in attendance at each meeting.

Council's External Auditors, HLB Mann Judd, who are appointed by the Victorian Auditor General (VAGO) attended the 20 August 2013 meeting to discuss the 2012/13 Annual Financial Statements. The External Auditors also attended the

meeting on the 15 April 2014 to discuss the 2013/2014 Audit Strategy and the 2013/2014 Interim Management Letter.

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 operations 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".

Ms. Linda MacRae after serving a term as the independent member assumed the role of Chair in 2012. Mr. Mark Anderson was appointed to the Committee as an independent member 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 reports were considered by the Committee:

Internal Audit Reports Considered

The following Internal Audit Reports were presented by the Internal Auditors – DFK Collins - to the Audit Committee for consideration and comment.

- » Review of Council's Investment Policy
- » Internal Audit Status Report
- » Building Maintenance (Essential Safety Measures)
- » Purchasing and Payments (Delegations)
- » Maribyrnong Aquatic Centre
- » Membership Database - Maribyrnong Aquatic Centre
- » Asset Management
- » Data Analysis

- » 2014 Complete Internal Auditors Program
- » Payroll Review
- » Revised 2014 Complete Internal Audit Program
- » Risk Management Processes

External Audit Reports

- » 2012/2013 Financial Statements and Performance Statements
- » VAGO Final Management Letter – Financial Audit 2012/2013
- » Audit Strategy for the financial year ending 30th June 2014
- » 2013/2014 VAGO Interim Management Letter

Other Regular and Special Reports

- » Overdue Debtors Reports
- » Asset Management Processes and Procedures
- » Contract Management and Tendering Processes
- » MAC Privacy Matter
- » Overdue Annual Leave
- » Business Transformation
- » Review of Council's 2013 Risk Management Framework, Policy and Procedures
- » Fraud and Corruption Control Update and Procedures
- » Status Report - Contamination of Maribyrnong Land and Buildings
- » Council's Road Management Plan
- » Business Continuity Plan
- » Local Government Performance Measures
- » Review of Council's Risk Management Framework and Implementation of the Monitoring Processes
- » Membership Database Maribyrnong Aquatic Centre
- » VAGO Asset Management and Shared Services
- » 2014 - 3rd Quarter Finance and Performance Report to Council
- » Long Term Financial Strategy (LTFS)

General Comments

The Audit Committee provides a valuable oversight of Council's internal control procedures and its risk management processes. Value is added to these processes with ongoing continuous improvement recommendations made by Council's Internal and External Auditors, which are acted upon to ensure that Council's control environment is maintained and improved.

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 2013/2014.

I express my sincere thanks to the Victorian Auditor General's appointed external audit agents, HLB Mann Judd and Council's Internal Auditor, DFK Collins for their work and contribution to the Committee's outcomes throughout the 2013/2014 financial year.

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 continues to ensure that the Committee is productive, producing outcomes that add value to the overall management of Council's internal control processes and risk management procedures.



Linda MacRae

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

12 FINANCE REPORT

Maribyrnong City Council

Financial Report

For the Year Ended 30 June 2014

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12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2014

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
9th September
Footscray

In our opinion the accompanying financial statements present fairly the financial transactions of the Maribyrnong City Council for the year ended 30 June 2014 and the financial position of the Council as at that date.

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

We have been authorised by Council on the 9th September 2014 to certify the financial statements in its final form.



Cameron McDonald
Councillor
9th September
Footscray



Michael Clarke
Councillor
9th September
Footscray



Nigel Higgins
Acting Chief Executive Officer
9th September
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 2014 of the Maribyrnong City Council which comprises 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 2014 of Maribyrnong City Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of standard statement 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 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Maribyrnong City Council for the year ended 30 June 2014 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
15 September 2014


Dr Peter Frost
Acting Auditor-General

Maribyrnong City Council
Comprehensive Income Statement

For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Income			
Rates and charges	2	77,274	70,764
Statutory fees and fines	3	11,423	10,102
User fees	4	11,108	11,085
Grants - Operating (recurrent)	5 (a)	7,936	8,971
Grants - Operating (non-recurrent)	5 (b)	208	101
Grants - Capital (recurrent)	5 (a)	462	662
Grants - Capital (non-recurrent)	5 (b)	832	2,940
Contributions - cash	6 (a)	1,819	1,737
Contributions - non-monetary assets	6 (b)	890	356
Other income	7	4,676	3,748
Total income		116,628	110,466
Expenses			
Employee costs	8	48,651	45,195
Materials and services	9	37,487	37,411
Bad and doubtful debts	10	1,138	1,223
Depreciation and amortisation	11	14,501	13,922
Borrowing costs	12	278	320
Other expenses	13	697	933
Net loss on disposal of property, plant and equipment, infrastructure	14	11,747	3,387
Total expenses		114,499	102,391
Surplus for the year		2,129	8,075
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluations increment	24	35,010	-
Total comprehensive result		37,139	8,075

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

12 FINANCE REPORT

Maribyrnong City Council

Balance Sheet

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	15	51,739	52,291
Trade and other receivables	16	9,757	7,628
Financial assets - term deposit	17	5,000	-
Other assets	18	884	871
Total current assets		67,380	60,790
Non-current assets			
Trade and other receivables	16	76	72
Property, plant and equipment, infrastructure	19	885,011	851,394
Total non-current assets		885,087	851,466
Total assets		952,467	912,256
Liabilities			
Current liabilities			
Trade and other payables	20	9,715	6,339
Trust funds and deposits	21	2,646	2,938
Provisions	22	12,617	11,014
Interest bearing loans and borrowings	23	740	695
Total current liabilities		25,718	20,986
Non-current liabilities			
Provisions	22	741	1,661
Interest bearing loans and borrowings	23	3,460	4,200
Total non-current liabilities		4,201	5,861
Total liabilities		29,919	26,847
Net Assets		922,548	885,409
Equity			
Accumulated surplus		286,770	274,998
Asset revaluation Reserve	24	600,161	575,181
Other reserves	24	35,617	35,230
Total Equity		922,548	885,409

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 2014

	Note	Total 2014 \$'000	Accumulated Surplus 2014 \$'000	Revaluation Reserve 2014 \$'000	Other Reserves 2014 \$'000
2014					
Balance at beginning of the financial year		885,409	274,998	575,181	35,230
Total comprehensive result		37,139	2,129	35,010	-
Transfer from revaluation reserve	24	-	10,030	(10,030)	-
Transfers from other reserves	24	-	12,764	-	(12,764)
Transfers to other reserves	24	-	(13,151)	-	13,151
Balance at end of the financial year		922,548	286,770	600,161	35,617
		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	24	-	7,509	-	(7,509)
Transfers to other reserves	24	-	(15,779)	-	15,779
Balance at end of the financial year		885,409	274,998	575,181	35,230

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

12 FINANCE REPORT

Maribyrnong City Council

Statement of Cash Flows

For the Year Ended 30 June 2014

		2014	2013
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		76,903	70,426
Statutory fees and fines		9,606	8,094
User fees		11,136	12,346
Contributions - cash		1,819	1,737
Grants - Operating (recurrent)		7,936	8,971
Grants - Operating (non-recurrent)		208	101
Grants - Capital (recurrent)		462	662
Grants - Capital (non-recurrent)		832	2,940
Interest on cash assets		2,060	2,294
Other income		2,567	1,610
Net GST refund		4,321	3,632
		117,850	112,813
Employee costs		(47,615)	(53,028)
Materials and services		(35,849)	(40,801)
External contracts		(2,081)	(1,903)
Utilities		(2,025)	(1,650)
Other expenses		(697)	(933)
		(88,267)	(98,315)
Net cash provided by (used in) operating activities	25	29,583	14,498
Cash flows from investing activities			
Amounts invested in term deposits		(5,000)	-
Payments for property, infrastructure, plant and equipment	39	(24,225)	(11,786)
Proceeds from sale of property, infrastructure, plant and equipment	14	355	514
Trust funds and deposits		(292)	(159)
Net cash (used in) investing activities		(29,162)	(11,431)
Cash flows from financing activities			
Borrowing costs		(278)	(320)
Repayment of borrowings		(695)	(654)
Net cash (used in) financing activities		(973)	(974)
Net increase (decrease) in cash and cash equivalents		(552)	2,093
Cash and cash equivalents at the beginning of financial year		52,291	50,198
Cash and cash equivalents at the end of the financial year	15	51,739	52,291
Financing arrangements	27		
Restrictions on cash assets	28		

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 2014

Introduction

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

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

Note

1 Significant accounting policies

(a) Basis of accounting

The financial report has been prepared under the historical cost convention except where specifically stated in the notes.

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.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant accounting policies

(b) Changes in accounting policies

AASB 13 Fair Value Measurement

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

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

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

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

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

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

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

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

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

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant accounting policies (continued)

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(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 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

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.

Interest

Interest is recognised as it is earned.

Other Income

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

(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.

(e) Depreciation and amortisation 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 2014

Note

1 Significant accounting policies (continued)

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The following classes of assets have been recognised in note 19. 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 and have been brought into line with the Local Government sector guidelines.

Class of Asset	Threshold Limit	Depreciation period
	2014 \$'000	2014
Property		
Land	10	n/a
Land under roads	10	n/a
Land improvements	10	25 years
Buildings*	10	50-100 years
Building improvements	10	10 years
Leasehold building improvements	10	5 years
Plant and Equipment		
Plant, machinery and equipment	1	2-10 years
Computers and telecommunications	1	3-10 years
Library books*	1	1-8 years
Infrastructure		
Road base	10	50-80 years
Road pavements and seals	10	13-25 years
Kerb and channel	10	50 years
Bridges	10	50-80 years
Off street car parks	10	20-25 years
Footpaths and cycleways	10	50 years
Drainage	10	30-100 years
Street furniture & equipment*	10	5-30 years

* Dependent upon materials used in construction and usage.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differs from the fair value the assets class was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in the Property Plant and Equipment Note.

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.

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) Financial assets

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

(k) Investments

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

(l) Trust funds and deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 21).

(m) 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 2014

Note

1 Significant Accounting Policies (continued)

(n) Employee costs

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

Wages and salaries and annual leave

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

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

Long service leave

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

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

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

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits oncosts

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

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

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.

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.

(o) 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.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 1 to 20 year period.

(p) 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.

(q) Agreements equally proportionately unperformed

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

(r) Web site costs

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

(s) 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.

Maribyrnong City Council

Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant Accounting Policies (continued)

(t) 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.

(u) 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.

(v) Contingent assets and contingent liabilities and commitments

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

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

(w) 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.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant Accounting Policies (continued)

(x) Pending Accounting Standards

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

Pronouncement	Summary	Application Date	Impact on Council
AASB 9 Financial Instruments	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.	1-Jul-15	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.
	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.		This will also create a requirement to measure some instruments annually that has not previously existed.
	The new categories of financial assets are:		
	· 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.		

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant Accounting Policies (continued)

(x) Pending Accounting Standards

Pronouncement	Summary	Application Date	Impact on Council
	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.		
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.	1-Jul-14	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant Accounting Policies (continued)

(x) Pending Accounting Standards

Pronouncement	Summary	Application Date	Impact on Council
	The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.		
	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.		
	The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.		
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1-Jul-14	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

1 Significant Accounting Policies (continued)

(x) Pending Accounting Standards

Pronouncement	Summary	Application Date	Impact on Council
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	1-Jul-14	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
	The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.		
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1-Jul-14	Council has yet to determine the impact of this standard.

12 FINANCE REPORT

Maribyrnong City Council

Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
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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 2013/14 was \$1,077,596 million (2012/13, \$1,045,857 million). The 2013/14 rate in the NAV dollar was 6.989 cents (2012/13, 6.641 cents).

Number of assessments for 2013/14 rate strike

Residential	32,601	54,901	50,781
Commercial	2,409	12,950	11,460
Industrial	1,142	6,993	6,837
Supplementary rates & adjustments		2,430	1,686
Total rates and charges	36,152	77,274	70,764

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 was 1 January 2010 and the valuation first applied to the rating period commencing 1 July 2010.

3 Statutory fees and fines

Infringements & costs	6,797	6,427
PINS infringements added	1,207	995
Permits	1,310	1,349
Town planning fees	783	608
Fees	665	350
Magistrates	36	30
Fines other	-	14
Infringement recovery costs	625	329
Total statutory fees and fines	11,423	10,102

Maribyrnong City Council

Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
4 User fees		
(a) Aged, Aquatic & Cemetery fees	1,411	1,439
Fees - HAAC, MAC, Green waste & Occasional care	3,392	3,289
Certificates	92	67
Land information certificates	70	66
Customer service requests	392	377
Fees - ticket machine	3,645	3,664
Permanent Bookings - Health & fitness	1,336	1,273
Other fees and charges	51	59
Plant hire deductions	428	366
*Mausoleum fees	-	6
Environmental charge	10	11
Sale of information	163	353
Product sales	118	115
Total user fees	11,108	11,085

*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 (\$574,452 at 30 June 2013).

(b) Ageing analysis of contractual receivables

Please refer to table in Note 33 entitled Ageing of Trade and Other Renewables for the ageing analysis of contractual receivables.

12 FINANCE REPORT

Maribyrnong City Council

Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
5 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	2,339	1,822
State funded grants	6,550	9,278
Other grants	549	1,574
Total grants	9,438	12,674
(a) Grants - Operating (recurrent)		
Commonwealth Government - Aged care	1,140	1,149
Victorian Grants Commission - General purpose	1,214	2,400
School crossing supervisors	142	135
Libraries	506	484
HACC	2,845	2,760
Prevention violence	120	120
Metro access	117	111
Best start	110	154
Maternal and child health	625	585
Enhanced home visiting	114	117
Healthy communities	96	150
Community health	82	93
Family and children	314	348
Food services	283	145
Gender equitable & safe communities	120	120
Other	108	100
Total Operating (recurrent)	7,936	8,971
Grants - Capital (recurrent)		
Commonwealth Government - Roads to Recovery	233	430
Victorian Grants Commission - Local roads	229	232
Total Capital (recurrent)	462	662
Total recurrent	8,398	9,633
(b) Grants - Operating (non-recurrent)		
Cemetery	150	-
Other	58	101
Total Operating (non-current)	208	101
Grants - Capital (non-recurrent)		
Clare court early years hub	-	176
Skinner reserve pavilion	-	260
Braybrook community hub	817	2,150
Stormwater harvesting irrigation	-	73
Other	15	281
Total Capital (non-current)	832	2,940

Maribyrnong City Council

Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
5 Grants (continued)		
Total Non-recurrent	1,040	3,041
Total Capital grants	1,294	3,602
Total Operating grants	8,144	9,072
Total Grants	9,438	12,674

(c) 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
Kindersmith redevelopment	-	90
Closed Circuit Television - Public safety cameras	-	27
Healthy communities	-	37
Braybrook refugee employment	-	45
Management establishment	-	50
Raleigh road	-	25
Personal care	-	28
Minicipal planning	-	20
Railway reserve	-	851
Footscray park	-	90
Braybrook Hub	-	2,150
Road improvement program	-	227
VGC	-	1,271
Best start	-	13
Greening Footscray / Street tree planting	-	200
Lighting	-	18
Flood lighting	45	-
Playground compliance	87	-
Security lighting	150	-
Sports Pavilions renewal	43	-
Green street lighting	216	-
Active Maribyrnong	45	-
MCH	149	-
Gender Equity	78	114
Immunisation	31	21
Other misc. programs	75	215
	919	5,692
Net increase (decrease) in restricted assets resulting from grant revenue for the year:	919	5,692

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor, except for those shown with balances carried forward to this year.

12 FINANCE REPORT

Maribyrnong City Council

Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
6 Contributions		
(a) Contributions - cash		
Developer contributions	152	499
Open space contributions	1,667	1,238
Total contributions - cash	1,819	1,737
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		
Roads	772	325
Footpaths and cycle ways	118	31
Total contributions - non - monetary assets	890	356
Total contributions	2,709	2,093
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 \$889,717 in 2014 (\$355,655 in 2013).		
7 Other income		
Wage recoveries	10	4
Facility costs recoveries	1,781	240
Workcover & misc. recoveries	152	721
Other	99	10
Total recoveries	2,042	975
Interest on rates	294	249
Interest on cash assets	2,014	2,138
Total interest	2,308	2,387
Council facilities (permanent bookings)	319	304
Sponsorship, donations & other	7	82
Total bookings and sponsorships	326	386
Total other income	4,676	3,748

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note		2014	2013
		\$'000	\$'000
8	Employee costs		
	Wages & salaries	47,597	43,737
	Employee costs	769	634
	Redundancy costs	-	606
	Fringe benefits tax	285	218
	Total employee costs	48,651	45,195
9	Materials and services		
	Non capitalised major project expenses	6,388	7,563
	Contract payments	2,081	1,903
	Consultants	2,379	2,311
	Legal expenses	648	449
	Building maintenance costs	2,071	1,497
	Insurances	879	857
	Public lighting & electricity	975	874
	Community contributions	1,427	1,432
	Vehicle & Plant costs	1,172	1,012
	Plant and equipment maintenance	1,704	2,737
	Computer & communications	3,996	3,047
	General expenses, postage, printing & other	1,747	1,635
	Tip & refuse collections	3,763	3,846
	Fire brigade levy	74	959
	Memberships and subscriptions	393	287
	Fees, Vic roads, Perin costs, other fees & charges	1,813	1,313
	Materials	1,365	1,680
	Library services	99	74
	General supplies	944	817
	Travel costs	36	6
	Utilities	2,025	1,650
	Property costs	578	569
	Office cleaning	440	427
	Cash collection & bank fees	490	466
	Total materials and services	37,487	37,411

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
10 Bad and doubtful debts		
Parking fine debtors	1,138	1,220
Other debtors	-	3
Total bad and doubtful debts	1,138	1,223
11 Depreciation and amortisation		
(a) Property		
Building	2,235	2,257
Leasehold improvements	245	225
(b) Plant and equipment		
Plant & machinery	767	913
Computers & telecommunications	772	739
Library books	653	282
(c) Infrastructure		
Roads & bridges	6,238	5,981
Footpaths & cycleways	1,467	1,444
Drainage	1,348	1,335
Street furniture & equipment	776	746
Total depreciation and amortisation	14,501	13,922
12 Borrowing costs		
Interest - borrowings	278	320
Total finance costs	278	320
13 Other expenses		
External auditor's remuneration	41	60
Other audit services	150	84
Operating leases	272	294
Elections	-	271
Councillors' allowances	226	217
Other miscellaneous	8	7
Total other expenses	697	933
14 Net loss on disposal of property, plant and equipment, infrastructure		
Summary		
Proceeds from sale of assets	(355)	(514)
Less written down value of assets disposed	12,102	3,901
Total (loss) on disposal of assets	11,747	3,387

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
15 Cash and cash equivalents		
Cash on hand and at bank	2,239	291
Short term deposits	49,500	52,000
	<u>51,739</u>	<u>52,291</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 :		
- Reserves funds allocated for specific future purposes.	8,777	7,887
- Trust funds and deposits.	2,646	2,938
- Grants received in advance for which there is an obligation to complete.	919	5,692
- Long service leave.	7,854	7,354
Restricted Funds	<u>20,196</u>	<u>23,871</u>
Total unrestricted cash and cash equivalents	<u>31,543</u>	<u>28,420</u>
16 Trade and other receivables		
Current		
Rates debtors	<u>3,288</u>	<u>2,921</u>
Perin fine debtors	7,279	5,831
Less provision for doubtful debts	<u>(4,572)</u>	<u>(3,814)</u>
	<u>2,707</u>	<u>2,017</u>
Infringement debtors	1,660	1,653
Less provision for doubtful debts	<u>(783)</u>	<u>(744)</u>
	<u>877</u>	<u>909</u>
Magistrates debtors	645	522
Less provision for doubtful debts	<u>(533)</u>	<u>(431)</u>
	<u>112</u>	<u>91</u>
Other debtors	<u>1,903</u>	<u>962</u>
Net GST receivable	<u>870</u>	<u>728</u>
Total current	<u>9,757</u>	<u>7,628</u>
Non - current		
Deferred rates*	76	72
Total non - current	<u>76</u>	<u>72</u>
Total trade and other receivables	<u>9,833</u>	<u>7,700</u>

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

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
17 Financial assets		
Term deposits	5,000	-
	<u>5,000</u>	<u>-</u>
18 Other assets		
Prepayments	533	471
Accrued income	335	381
Other	16	19
Total other assets	<u>884</u>	<u>871</u>
19 Property, plant and equipment, infrastructure		
Summary		
at cost	57,234	41,218
Less: accumulated depreciation	(15,104)	(14,839)
	<u>42,130</u>	<u>26,379</u>
at fair value as at 30 June 2012	-	637,742
Less: accumulated depreciation	-	(70,386)
	<u>-</u>	<u>567,356</u>
at fair value as at 30 June 2013	356	356
Less: accumulated depreciation	-	-
	<u>356</u>	<u>356</u>
at fair value as at 30 June 2014	680,991	-
Less: accumulated depreciation	(85,964)	-
	<u>595,027</u>	<u>-</u>
at Council valuation as at 30 June 2012	417,112	418,650
Less: accumulated depreciation	(169,614)	(161,347)
	<u>247,498</u>	<u>257,303</u>
Total	<u>885,011</u>	<u>851,394</u>

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014	2013
	\$'000	\$'000
19 Property, plant and equipment, infrastructure (continued)		
Property		
Land		
At fair value as at 30 June 2012	-	438,044
At fair value as at 30 June 2014	440,921	-
Total Land	440,921	438,044
Land under roads (LUR)		
At cost	513	513
Total Land under roads	513	513
Total Land	441,434	438,557
Buildings		
At cost	-	2,435
Less: accumulated depreciation	-	(2)
At fair value as at 30 June 2012	-	199,698
Less: accumulated depreciation	-	(70,386)
At fair value as at 30 June 2014	239,181	-
Less: accumulated depreciation	(85,964)	-
Total Buildings	153,217	131,745
Leasehold improvements		
At cost	1,227	1,227
Less: accumulated depreciation	(470)	(225)
Total Leasehold improvements	757	1,002
Total Property	595,408	571,304

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
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19 Property, plant and equipment, infrastructure (continued)

Property

Valuation of land 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 land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

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

	Level 1	Level 2	Level 3
Land - specialised	-	-	440,921
Buildings - specialised	-	-	153,217
Total	-	-	594,138

No transfers between levels occurred during the year.

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
19 Property, plant and equipment, infrastructure (continued)		
Plant and equipment		
Plant, machinery and equipment		
At cost	9,217	9,244
Less: accumulated depreciation	(5,628)	(5,893)
Total Plant, machinery and equipment	3,589	3,351
Computers and telecommunications		
At cost	3,594	4,262
Less: accumulated depreciation	(1,867)	(2,808)
Total computers and telecommunications	1,727	1,454
Library items		
At cost	3,109	3,199
Less: accumulated depreciation	(1,751)	(1,371)
Total Library items	1,358	1,828
Total Plant and equipment	6,674	6,633
Infrastructure and other assets		
Roads and bridges		
At cost	7,518	3,940
Less: accumulated depreciation	(79)	(11)
Council valuation at 30 June 2012	233,062	234,177
Less: accumulated depreciation	(95,467)	(89,737)
At fair value as at 30 June 2013 contributed assets	324	324
Less: accumulated depreciation	-	-
At fair value as at 30 June 2014 contributed assets	771	-
Total Roads and bridges	146,129	148,693

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
19 Property, plant and equipment, infrastructure (continued)		
Drains		
At cost	1,340	850
Less: accumulated depreciation	(3)	(3)
Council valuation at 30 June 2012	130,730	130,730
Less: accumulated depreciation	(50,843)	(49,495)
Total Drains	81,224	82,082
Footpaths and cycle ways		
At cost	1,452	481
Less: accumulated depreciation	(6)	(2)
Council valuation at 30 June 2012	53,320	53,743
Less: accumulated depreciation	(23,304)	(22,115)
At fair value as at 30 June 2013 contributed assets	32	32
Less: accumulated depreciation	-	-
At fair value as at 30 June 2014 contributed assets	118	-
Total Footpaths and cycle ways	31,612	32,139
Total Infrastructure assets	258,965	262,914
Street furniture and equipment		
At cost	13,931	12,694
Less: accumulated depreciation	(5,300)	(4,524)
Total street furniture and equipment	8,631	8,170
Total Infrastructure and other assets	267,596	271,084

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
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19 Property, plant and equipment, infrastructure (continued)

Property

Valuation of infrastructure assets has been determined in accordance with a council valuation under the direction of the Coordinator Asset Management, Ahmed Elmohandis, whose professional qualifications are Bachelor Engineering.

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.

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

Fair value assessments have been performed at 30 June 2014 for Infrastructure. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2016/2017.

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

	Level 1	Level 2	Level 3
Roads and bridges	-	-	138,690
Drains	-	-	79,887
Footpaths and cycleways	-	-	30,166
Total	-	-	248,743

Works in progress

Property at cost	8,028	1,524
Plant and equipment at cost	2,261	178
Infrastructure and other assets at cost	5,044	671

Total Works in progress - at cost	15,333	2,373
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Total Property, plant and equipment, infrastructure	885,011	851,394
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12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
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19 Property, plant and equipment, infrastructure (continued)

Property

Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Mr Vin Bourke to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014. To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 3 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain an adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by Mr Vin Bourke. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Infrastructure

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

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's infrastructure assets was performed by Ahmed Elmonhandis. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2012.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2014

Note

19 Property, plant and equipment, infrastructure

2014	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
Property								
Land	438,044	-	-	12,907	-	(10,030)	-	440,921
Land under roads	513	-	-	-	-	-	-	513
Total land	438,557	-	-	12,907	-	(10,030)	-	441,434
Buildings	131,745	1,514	-	22,103	(2,235)	(537)	627	153,217
Leasehold improvements	1,002	-	-	-	(245)	-	-	757
Total buildings	132,747	1,514	-	22,103	(2,480)	(537)	627	153,974
Total property	571,304	1,514	-	35,010	(2,480)	(10,567)	627	595,408
Plant and Equipment								
Plant, machinery and equipment	3,351	1,384	-	-	(767)	(378)	-	3,590
Computers and telecommunications	1,454	1,051	-	-	(772)	(6)	-	1,727
Library books	1,828	509	-	-	(653)	(327)	-	1,357
Total plant and equipment	6,633	2,944	-	-	(2,192)	(711)	-	6,674
Infrastructure								
Roads and bridges	148,693	3,535	772	-	(6,238)	(675)	42	146,129
Footpaths and cycle ways	32,139	960	118	-	(1,467)	(149)	11	31,612
Drainage	82,082	480	-	-	(1,348)	-	10	81,224
Street furniture and equipment	8,170	1,237	-	-	(776)	-	-	8,631
Total infrastructure	271,084	6,212	890	-	(9,829)	(824)	63	267,596
Works in progress								
Works in progress	2,373	13,650	-	-	-	-	(690)	15,333
Total works in progress	2,373	13,650	-	-	-	-	(690)	15,333
Total property, plant and equipment, infrastructure	851,394	24,320	890	35,010	(14,501)	(12,102)	-	885,011

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2014

Note

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

2013	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	438,044	-	-	-	-	-	-	438,044
Land under roads	513	-	-	-	-	-	-	513
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, machinery and equipment	3,685	912	-	-	(913)	(333)	-	3,351
Computers and telecommunications	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								
Works in progress	2,290	1,751	-	-	-	-	(1,668)	2,373
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

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

19 Property, plant and equipment, infrastructure

Reconciliation of Level 3 fair value

2014	Specialised Land and Land Improvements	Specialised Buildings	Infrastructure
Opening Balance	438,044	131,745	262,914
Depreciation	0	(2,235)	(9,053)
Revaluation	12,907	22,103	0
Acquisitions (Disposals)	(10,030)	977	5,041
Transfers	0	627	63
Closing Balance	440,921	153,217	258,965

Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land and Land Improvements	Market based direct comparison approach (refer above)	Extent and impact of restriction of use	Allowance made for restrictions and encumbrances ranges from 0% to 95%.	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre	\$425pm ² to \$38,000m ² (the higher rate due to the size and cost of construction of Unisex toilets).	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value.
Specialised Buildings	Depreciated Replacement Cost	Useful life of specialised buildings	Range from 50 year to 100 years.	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Roads and bridges	Depreciated Replacement Cost	Cost per unit: Useful life:	Range from 13 to 80 years.	Increase or decrease in the cost per unit or useful live would result in a significantly lower or higher fair value.
Footpaths and cycle ways	Depreciated Replacement Cost	Cost per unit: Useful life:	50 years	Increase or decrease in the cost per unit or useful live would result in a significantly lower or higher fair value.
Drainage	Depreciated Replacement Cost	Cost per unit: Useful life:	Range from 30 to 100 years.	Increase or decrease in the cost per unit or useful live would result in a significantly lower or higher fair value.

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
20 Trade and other payables		
Current		
Trade payables	8	4,172
Accrued expenses	9,707	2,167
Total trade and other payables	9,715	6,339
21 Trust funds and deposits		
Refundable building deposits	1,289	1,437
Refundable retentions	2	4
Other refundable deposits	1,080	1,201
Refundable civic facilities deposits	275	296
	2,646	2,938

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.

22 Provisions

2014	Annual leave \$'000	Retirement gratuity \$'000	Long service \$'000	Total \$'000
Balance at beginning of the financial year	4,320	1,001	7,354	12,675
Additional provisions	3,437	9	1,294	4,740
Amounts used	(3,151)	(112)	(842)	(4,105)
Increase in discounted amount arising because of time and the effect in discount rate change	-	-	48	48
Balance at the end of the financial year	4,606	898	7,854	13,358
2013	Annual leave \$'000	Retirement gratuity \$'000	Long service \$'000	Total \$'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

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
22 Provisions (continued)		
Employee provisions		
Current provisions expected to be settled within 12 months		
Annual leave	3,169	2,894
Retirement gratuity	57	50
Long service leave	999	866
	<u>4,225</u>	<u>3,810</u>
Current provisions expected to be settled after 12 months		
Annual leave	1,437	1,426
Retirement gratuity	841	951
Long service leave	6,114	4,827
	<u>8,392</u>	<u>7,204</u>
Total current provisions	<u>12,617</u>	<u>11,014</u>
Non-current		
Long service leave	741	1,661
Total non current provisions	<u>741</u>	<u>1,661</u>
Long service leave representing less than 7 years of continuous service is measured at present value.		
Total employee benefits	<u>13,358</u>	<u>12,675</u>
Aggregate carrying amount of employee benefits:		
Current	12,617	11,014
Non-current	<u>741</u>	<u>1,661</u>
	<u>13,358</u>	<u>12,675</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	3.4%	4.5%
Weighted average discount rates	3.6%	3.8%
Weighted average settlement period	17 yrs	17 yrs

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note		2014	2013
		\$'000	\$'000
23	Interest bearing loans and borrowings		
	Current		
	Borrowings - Secured	740	695
	Total current	740	695
	Non Current		
	Borrowings - Secured	3,460	4,200
	Total non current	3,460	4,200
	The maturity profile for Council's borrowings is:		
	Not later than one year	740	654
	Later than one year and not later than five years	3,460	3,253
	Later than five years	-	947
	Total	4,200	4,854
	Aggregate carrying amount of Interest-bearing liabilities:		
	Current	740	695
	Non Current	3,460	4,200
	Total Interest bearing loans and borrowings	4,200	4,895
	Borrowings are secured by a claim over Council rates.		

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

24	Reserves	Balance at beginning of reporting period \$'000	Increment \$'000	(Disposal) \$'000	Balance at end of reporting period \$'000
(a)	Asset revaluation reserves				
	2014				
	Property				
	Land	355,253	12,907	(10,030)	358,130
	Buildings	79,562	22,103	-	101,665
		434,815	35,010	(10,030)	459,795
	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	35,010	(10,030)	600,161
	The asset revaluation reserve is to record the increased (net) value of Council's assets over time.				
	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
(b)	Other reserves	\$'000	\$'000	\$'000	\$'000
	2014				
	Mausoleum trust	574	-	-	574
	Open space	4,755	1,668	(929)	5,494
	DCP reserves	2,558	151	-	2,709
	Carried forward funds	8,435	3,404	(8,435)	3,404
	Major programs	18,908	7,928	(3,400)	23,436
	Total Other reserves	35,230	13,151	(12,764)	35,617
	2013				
	Mausoleum trust	568	6	-	574
	Open space	4,093	1,238	(576)	4,755
	DCP reserves	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

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 2014

Note	2014	2013
	\$'000	\$'000
25 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	2,129	8,075
Non cash items		
Depreciation and amortisation	14,501	13,922
Net loss on disposal of property, infrastructure, plant and equipment	11,747	3,387
Contributions of non-monetary assets	(890)	(356)
Found assets	(95)	-
Movement included in investment and financing activities		
Financing costs	278	320
Change in assets and liabilities:		
(Increase) in trade and other receivables	(2,133)	(899)
Decrease/(Increase) in other assets	(13)	187
Increase/(Decrease) in trade and other payables	3,376	(10,448)
Increase/in employee provisions	683	310
Net cash provided by / (used in) operating activities	29,583	14,498
26 Reconciliation of cash and cash equivalents		
Cash on hand and at bank	2,239	291
Short term deposits	49,500	52,000
less bank overdraft	-	-
	51,739	52,291

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014 \$'000	2013 \$'000
27 Financing arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank loans	4,200	4,895
Bank overdraft	200	200
Business card	150	150
Total credit facilities	4,550	5,245
Bank loans	4,200	4,895
Business card	23	17
Used facilities at balance date	4,223	4,912
Bank overdraft	200	200
Business card	127	133
Unused facilities at balance date	327	333

28 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 reserve funds excluding grants and trust funds.

	Note	2014 \$'000	2013 \$'000
Long service leave	22	7,854	7,354
Carried forward Grants	5	919	5,692
Trust funds and deposits	21	2,646	2,938
Mausoleum trust	24	574	574
Developer contribution reserves	24	2,709	2,558
Open space reserve	24	5,494	4,755
Total restricted assets		20,196	23,871

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.

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

29 Superannuation

Defined benefit fund

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 fund

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

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

Defined Benefit

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

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employer.

While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note**29 Superannuation (continued)****Funding arrangements**

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

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

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

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

Employer contributions**Regular contributions**

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee.

For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, 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).

Funding calls

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

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

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring.

There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

29 Superannuation (continued)

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

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

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

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

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

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

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

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

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in 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.

Retrenchment increments

During 2013-14, Council was not required to make payments to the Fund in respect of retrenchment increments (\$0 in 2012/13). Council's liability to the Fund as at 30 June 2014, for retrenchment increments, accrued interest and tax is \$0 (\$0 in 2012/13).

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

29 Superannuation (continued)

Unfunded Superannuation Liability - Funding Calls

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

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

If either of the above occur, the Fund has a shortfall for the purposes of SPS 160 and the Fund is required to put plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. Since 30 June 2013 the VBI has been in excess of 100%. The 31 March 2014 estimated VBI was 104.6%. As this is greater than 100%, the fund is considered to be fully funded with no action required by employers at this stage.

Accrued benefits

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

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

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

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	3.4% p.a.
Price Inflation	2.75% p.a.

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

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

29 Superannuation (continued)

Superannuation contributions

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

Scheme	Type of scheme	Rate	2014 \$'000	2013 \$'000
Vision Super	Defined benefits	9.25%	399	233
Vision Super	Accumulation	9.25%	2,867	3,080
Other funds	Accumulation	9.25%	370	214
			<u>3,636</u>	<u>3,527</u>

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2014.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$420K.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report For the Year Ended 30 June 2014

Note

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Commitments

The Council has entered into the following commitments:

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2014	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Centres	123	83	248	543	997
Community centres	172	-	-	-	172
Library management system	59	60	77	-	196
Corporate business applications	1,064	-	-	-	1,064
Library RFID	98	68	-	-	166
Facilities cleaning	100	-	-	-	100
Other	180	30	-	-	210
Total	1,796	241	325	543	2,905
Capital					
Telephony & UCS	44	44	43	-	131
Family Centre	451	-	-	-	451
Braybrook community hub	5,937	23	-	-	5,960
Street trees	346	274	330	-	950
Other	130	39	-	-	169
Total	6,908	380	373	-	7,661
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2013	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Green Power electricity	179	90	-	-	269
MAC co-generation	83	83	249	624	1,039
Cleaning services	169	-	-	-	169
Valuation services	236	-	-	-	236
Library management	81	81	131	-	293
Property	488	492	984	-	1,964
Other	323	89	-	-	412
Total	1,559	835	1,364	624	4,382
Capital					
Community hub	198	20	-	-	218
Telephony	44	44	86	-	174
Family centre	99	2	-	-	101
Other	135	-	-	-	135
Total	476	66	86	-	628

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	2014	2013
31	\$'000	\$'000

Operating leases

(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	537	584
Later than one year and not later than two years	564	420
Later than two year and not later than five years	296	1,137
	<u>1,397</u>	<u>2,141</u>

(b) Operating lease receivables

The Council has commercial property leases on its properties mainly for telecommunications towers. They are non-cancellable operating leases between 1 and 20 years. Future minimum receivables under the non-cancellable operating leases fixed between 3-5% and are as follows:

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	142	119
Later than one year and not later than two years	121	205
Later than two year and not later than five years	268	205
Later than five years	84	106
	<u>615</u>	<u>635</u>

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

32 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.

Contributed assets that may be received in 2014/2015 (subject to unknown developments) and are not recognised in this financial report is \$3m, 2013/2014 \$0.89m.

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

33 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 returned a floating interest rate of 2.57% (3.25% in 2012/13). The interest rate at balance date was 2.40% (2.75% in 2013). The operating account interest rate at balance date was 2.3% (1.95% in 2013). Term deposits returned fixed interest rate of between 3.17% (3.8% in 2013), and 3.52% (4.38% in 2013) 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	20	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	23	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 2013).
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 9.48 % (9.73% in 2013).

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

33 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, both recognised and unrecognised, at balance date are as follows:

2014	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	2,229	49,500	-	-	10	51,739
Other financial assets	-	5,000	-	-	-	5,000
Trade and other receivables	-	-	-	-	1,903	1,903
Total financial assets	2,229	54,500	-	-	1,913	58,642
Weighted average interest rate	2.4%	3.4%				
Financial liabilities						
Trade and other payables	-	-	-	-	9,715	9,715
Trust funds and deposits	-	-	-	-	2,646	2,646
Interest-bearing loans and borrowings	-	740	3,460	-	-	4,200
Total financial liabilities	-	740	3,460	-	12,361	16,561
Weighted average interest rate		6.27%	6.27%	6.27%		
Net financial assets (liabilities)	2,229	53,760	(3,460)	-	(10,448)	42,081

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

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

33 Financial Risk Management (continued)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assets				
Cash and cash equivalents	51,739	52,291	51,739	52,291
Other financial assets	5,000	-	4,877	-
Trade and other receivables	1,903	962	1,903	962
Total financial assets	58,642	53,253	58,519	53,253
Financial liabilities				
Trade and other payables	9,715	6,339	9,715	6,339
Trust funds and deposits	2,646	2,938	2,646	2,938
Interest-bearing loans and borrowings	4,200	4,895	4,085	4,755
Total financial liabilities	16,561	14,172	16,446	14,032

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.

12 FINANCE REPORT

Maribyrnong City Council *Notes to the Financial Report*

For the Year Ended 30 June 2014

Note

33 (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 2014

Note

33 (e) Financial Risk Management (continued)

Ageing of Trade and Other Receivables

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

	2014 \$'000	2013 \$'000
Current (not yet due)	431	649
Past due by up to 30 days	486	265
Past due between 31 and 60 days	199	6
Past due by more than 60 days	98	42
Total Trade and Other Receivables	1,214	962

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$Nil (\$Nil in 2013) were impaired. The amount of the provision raised against these debtors was \$Nil (\$Nil in 2013). 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. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

33 (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.

2014	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	9,715	-	-	9,715	9,715
Trust funds and deposits	2,646	-	-	2,646	2,646
Interest-bearing loans and borrowings	740	3,460	-	4,200	4,200
Total financial liabilities	13,101	3,460	-	16,561	16,561
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

(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	
2014	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	51,739	(517)	(517)	517	517
2013	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	52,291	(523)	(523)	523	523

(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 2014

Note	2014 \$'000	2013 \$'000
34 Auditors' remuneration		
Audit fee to conduct external audit - Victorian Auditor General	41	60
Internal audit fees audit services	150	84
	<u>191</u>	<u>144</u>

35 Events occurring after balance date

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

36 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
Michael Clarke
Catherine Cumming
Cameron McDonald
Grant Miles
Nam Quach
Martin Zakharov

Chief Executive Officer

Vince Haining

(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:	2014 No.	2013 No.
\$1 - \$9,999	-	2
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	5	4
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
\$320,000 - \$329,999	1	1
	<u>8</u>	<u>11</u>
Total remuneration for the reporting year for Responsible Persons included above amounted to:	<u>571</u>	<u>542</u>

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

36 Related party transactions (continued)

(iii) Retirement benefits

No retirement benefits have been made by Council to a Responsible Person during the reporting year (\$Nil 2012/13).

(iv) Loans, guarantees etc.

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

(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 2012/13).

(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 \$133,000.

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

Income Range:			2014 No.	2013 No.
\$133,000	-	\$139,999	7	9
\$140,000	-	\$149,999	9	7
\$150,000	-	\$159,999	4	2
\$160,000	-	\$169,999	1	-
\$170,000	-	\$179,999	1	1
\$180,000	-	\$189,999	1	-
\$200,000	-	\$209,999	2	3
\$210,000	-	\$219,999	2	1
			<hr/> 27	<hr/> 23
Total Remuneration for the reporting year for Senior Officers included above amount to:			<hr/> 4,381	<hr/> 3,533

Maribyrnong City Council
Notes to the Financial Report
For the Year Ended 30 June 2014

Note

37 Income, expenses and assets by functions/activities

(a)	Community Wellbeing			Corporate Services		Infrastructure and Engineering		Organisational Development & Business Transformation		Sustainable Development		Total
	2014	2013	2012	2014	2013	2014	2013	2014	2013	2014	2013	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
INCOME												
Grants	6,633	6,644	1,230	2,400	2,692	3,353	-	(1,118)	277	9,437	12,674	
Other	6,173	6,241	80,554	74,217	3,023	2,585	7	33	17,434	14,716	107,191	97,792
TOTAL INCOME	12,806	12,885	81,784	76,617	5,715	5,938	7	33	16,316	14,993	116,628	110,466
TOTAL EXPENSES	(25,398)	(25,354)	(16,378)	(14,113)	(46,892)	(47,181)	(446)	(1,641)	(15,355)	(14,102)	(104,469)	(102,391)
SURPLUS (DEFICIT) FOR THE YEAR	(12,592)	(12,469)	65,406	62,504	(41,177)	(41,243)	(439)	(1,608)	961	891	12,159	8,075
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	-	-	67,456	60,862	885,011	851,394	-	-	-	-	952,467	912,256

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

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

37 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
Contracts & Procurement	Information Systems
Strategic Marketing, Comms. & Advocacy	Finance

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
Footscray Development Facilitation	Urban Planning
City Design	Regulatory Services

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note

38	Financial ratios (Performance indicators)	2014 \$'000	2014 ratio	2013 ratio	2012 ratio
(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>278</u>			
	Total revenue	116,628	0.00	0.00	0.00
(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>973</u>			
	Rate revenue	77,274	0.01	0.01	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>77,274</u>			
	Total revenue	116,628	0.66	0.64	0.55
(d) Debt exposure ratio (to identify Council's exposure to debt)					
	<u>Total indebtedness</u>	<u>49,116</u>			
	Total realisable assets	705,067	0.07	0.07	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: land and buildings on 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.

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note					
38	Financial ratios (continued)	2014 \$'000	2014 ratio	2013 ratio	2012 ratio

(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>67,380</u>				
Current liabilities	25,718	2.62	2.90		1.95

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	<u>67,380</u>				
Current liabilities	24,662	2.73	3.03		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:

A balance sheet account that represents the value of all assets that can reasonably be expected to be converted into cash within one year in the normal course of business.

Current liabilities:

A balance sheet account that represents the value of obligations that can reasonably be expected to be paid within one year in the normal course of business.

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 2014

Note	Note	2014 \$'000	2013 \$'000
39	Capital expenditure		
	Capital expenditure areas		
	Buildings	19	1,514
	Leasehold improvements	19	-
	Plant, machinery and equipment	19	1,383
	Computers and telecommunications	19	1,051
	Library books	19	509
	Roads and bridges	19	3,535
	Footpaths and cycle ways	19	960
	Drainage	19	480
	Street furniture and equipment	19	1,237
	Total works in progress	19	13,651
	Total capital works	24,320	11,786
	Represented by:		
	Renewal (a)	15,687	6,152
	Upgrade (b)	6,721	1,725
	New assets (d)	1,912	3,909
	Total capital works	24,320	11,786

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 net of following items:

Total capital works		24,320	11,786
Contributed non-monetary assets	6 (b)	890	356
Asset revaluation movement	24	35,010	-
Depreciation and amortisation	11	(14,501)	(13,922)
Written down value of assets sold or disposed of.		(12,102)	(3,900)
Net movement in property, plant and equipment, infrastructure		33,617	(5,680)

12 FINANCE REPORT

Maribyrnong City Council Notes to the Financial Report

For the Year Ended 30 June 2014

Note

39 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.

(d) New

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

Maribyrnong City Council
Notes to the Financial Report

For the Year Ended 30 June 2014

Note	Note	2014 \$'000	2013 \$'000
40	Underlying result		
	Reconciliation of underlying surplus to comprehensive result:		
	Total comprehensive result	37,139	8,075
	Net asset revaluations increment	24 (35,010)	-
	Surplus for the year	2,129	8,075
	One-off / non-recurrent adjustments:		
	Contributions - non-monetary assets	6 (890)	(356)
	Grants - Capital (recurrent)	5 (462)	(662)
	Grants - Capital (non-recurrent)	5 (832)	(2,940)
	Net loss on disposal of property, plant and equipment, infrastructure	14 11,747	3,387
	Underlying surplus or (deficit)	11,692	7,504

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.

12 FINANCE REPORT

Maribyrnong City Council

Comparative Report

Standard Statements

For the Year Ended 30 June 2014

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Maribyrnong City Council
Comparative Report
Certification of the Standard Statements
For the Year Ended 30 June 2014

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.

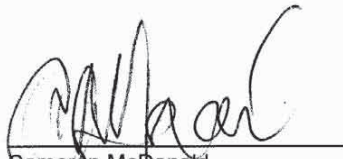


Bryan Stone CPA
Principal Accounting Officer
9th September
Footscray

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.

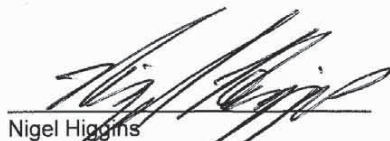
We have been authorised by Council on the 9th September 2014 to certify the standard statements in their final form.



Cameron McDonald
Councillor
9th September
Footscray



Michael Clarke
Councillor
9th September
Footscray



Nigel Higgins
Acting Chief Executive Officer
9th September
Footscray

12 FINANCE REPORT

Maribyrnong City Council ***Comparative Report*** **Standard Statements**

For the Year Ended 30 June 2014

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 25 June 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short 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 2014

	Actuals 2013/14 \$'000	Budget 2013/14 \$'000	Variances		Ref
			\$'000	%	
Income					
Rates and charges	77,274	75,650	1,624	2	
Statutory fees and fines	11,423	8,692	2,731	31	1
User fees	11,108	12,295	(1,187)	(10)	2
Contributions - cash	1,819	-	1,819	100	3
Contributions - non-monetary assets	890	-	890	100	4
Grants - Operating (recurrent)	7,936	9,189	(1,253)	(14)	5
Grants - Operating (non-recurrent)	208	-	208	100	5
Grants - Capital (recurrent)	462	1,003	(541)	(54)	5
Grants - Capital (non-recurrent)	832	-	832	100	5
Other income	2,368	1,365	1,003	73	6
Interest	2,308	1,955	353	18	7
Total income	116,628	110,149	6,479	-	
Expenses					
Employee costs	48,651	50,435	1,784	4	
Materials and services	31,099	32,114	1,015	3	
Bad and doubtful debts	1,138	1,226	88	7	
Depreciation and amortisation	14,501	11,922	(2,579)	(22)	8
Improvement works	6,388	7,579	1,191	16	9
Borrowing costs	278	714	436	61	10
Other expenses	697	862	165	19	11
Net loss on disposal of property, plant and equipment, infrastructure	11,747	-	(11,747)	100	12
Total expenses	114,499	104,852	(9,647)	-	
Surplus for the year	2,129	5,297	(3,168)	-	

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

Other comprehensive income

Net increase (decrease) in asset revaluation reserve (1)	35,010	-	35,010	100
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(1) Council does not budget for asset revaluations or impairment.

12 FINANCE REPORT

Maribyrnong City Council Comparative Report Standard Income Statement For the Year Ended 30 June 2014

Variance Explanation Report

Item	Ref	Explanation
Income		
Statutory fees and fines	1	Increased income from parking \$ 1,873K, local laws \$114K, planning \$144K, road opening \$116K and road maintenance \$193K.
User fees	2	Reduced income from ticket machine \$986K and road opening \$160K which are offset by the surplus in Statutory fees and fines.
Contributions - cash	3	The Open Space and Developer Contributions are not budgeted as they are difficult to predict and then transferred to the appropriate statutory reserves until required.
Contributions - non-monetary assets	4	Contributed assets are not budgeted for due to their uncertain value and timing / receipt, the hand over of the sub divisions of new estates. The major items are roads and footpaths.
Grants - Operating (recurrent)	5	A change VGC policy on prepayments.
Grants - Operating (non-recurrent)	5	Non-recurrent grants were not budgeted as they are generally uncertain in nature.
Grants - Capital (recurrent)	5	Capital grants were not budgeted for due to their uncertain nature.
Grants - Capital (non-recurrent)	5	Non-recurrent grants were not budgeted as they are generally uncertain in nature.
Other income	6	A settlement of \$1.4M was received during the year.
Interest	7	The interest income is higher due to increased cashholding due to unspent capital projects.

Maribyrnong City Council
Comparative Report
Standard Income Statement
For the Year Ended 30 June 2014

Variance Explanation Report (continued)

Item	Ref	
Expenditure		
Depreciation and amortisation	8	The increase in depreaction is due to an increase in the asset capitalisation \$24m and the Land & building revaluation which was not available until after the budget was adopted.
Improvement works	9	This reduced improvement works expense \$6.4m was due to more asset capitalisation than budgeted.
Borrowing costs	10	The repayment costs of borrowings were within budgeted however agency and cash collection costs \$490K were expensed under material and services.
Other expenses	11	There were minor savings achieved during the year.
Net loss on disposal of property, plant and equipment, infrastructure	12	The carrying value of assets disposed is not budgeted for due to the uncertain timing of disposals and their asset values. This variance includes the demolition of buildings and road infrastructure removed during construction of the renewed assets and the \$10m loss of Railway reserve.

12 FINANCE REPORT

Maribyrnong City Council Comparative Report Standard Balance Sheet As at 30 June 2014

	Actuals 2013/14 \$'000	Budget 2013/14 \$'000	Variances		Ref
			\$'000	%	
Assets					
Current assets					
Cash and cash equivalents	51,739	47,755	3,984	8	
Trade and other receivables	9,757	9,665	92	1	
Financial assets - term deposit	5,000	-	5,000	100	1
Other assets	884	323	561	174	2
Total current assets	67,380	57,743	9,637	17	
Non-current assets					
Trade and other receivables	76	133	(57)	(43)	
Property, plant and equipment, infrastructure	885,011	880,496	4,515	1	
Total non-current assets	885,087	880,629	4,458	1	
Total assets	952,467	938,372	14,095	2	
Liabilities					
Current liabilities					
Trade and other payables	9,715	21,908	12,193	56	3
Trust funds and deposits	2,646	3,097	451	15	4
Provisions	12,617	13,393	776	6	
Interest bearing loans and borrowings	740	740	-	-	
Total current liabilities	25,718	39,138	13,420	34	
Non-current liabilities					
Provisions	741	2,427	1,686	69	5
Interest bearing loans and borrowings	3,460	3,459	(1)	-	
Total non-current liabilities	4,201	5,886	1,685	29	
Total liabilities	29,919	45,024	15,105	34	
Net Assets	922,548	893,348	29,200	3	
Equity					
Accumulated surplus	286,770	300,269	(13,499)	(4)	
Asset revaluation Reserve	600,161	575,179	24,982	4	
Other reserves	35,617	17,900	17,717	99	6
Total Equity	922,548	893,348	29,200	3	

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 2014

Variance Explanation Report	Ref	Explanation
Item		
Assets		
Financial assets - term deposit	1	These assets were not budgeted separately as they are easily converted to cash and included in cash and equivalents.
Other assets	2	This is an increase predominately in prepayments \$220K for the Civica IT system.
Liabilities		
Trade and other payables	3	There was nearly \$15M in Creditors paid in the last 3 weeks of the year substantially reducing the outstanding creditors below budget.
Trust funds and deposits	4	There was a major effort to inspect many old sites during the year, thereby clearing \$269K in deposits held.
Provisions	5	The actual employee provisions were lower than budget but inline with EB increases to previous years actuals.
Other reserves	6	Increase in open space \$1.6M and major project deferred \$8.9m and transfers in of \$6.2m to accommodate future project spending.

12 FINANCE REPORT

Maribyrnong City Council Comparative Report Standard Cash Flow Statement For the Year Ended 30 June 2014

	Actuals 2013/14 \$'000 Inflows/ (Outflows)	Budget 2013/14 \$'000 Inflows/ (Outflows)	Variances \$'000 Inflows/ (Outflows)		Ref
				%	
Cash flows from operating activities					
Receipts					
Rates and charges	76,903	75,429	1,474	2	
Statutory fees and fines	9,606	8,688	918	11	1
User fees	11,136	12,506	(1,370)	(11)	2
Grants - recurrent	8,398	9,189	(791)	(9)	
Grants - non recurrent	1,040	1,003	37	4	
Contributions - cash	1,819	-	1,819	100	3
Interest	2,060	1,955	105	5	
Other income	2,567	1,364	1,203	88	4
Net GST refund	4,321	-	4,321	100	5
Total receipts from customers	117,850	110,134	7,716	-	
Payments					
Employee costs	(47,615)	(48,634)	1,019	(2)	
Materials and services	(39,955)	(38,789)	(1,166)	3	
Other expenses	(697)	(862)	165	(19)	6
Total payments suppliers and employees	(88,267)	(88,285)	18	(0)	
Net cash provided by (used in) operating activities	29,583	21,849	7,734	35	
Cash flows from investing activities					
Amounts invested in term deposits	(5,000)	-	(5,000)	100	7
Payments for property, infrastructure, plant and equipment	(24,225)	(25,505)	1,280	5	
Proceeds from sale of property, infrastructure, plant and equipment	355	200	155	78	8
Net cash (used in) investing activities	(28,870)	(25,305)	(3,565)	14	
Cash flows from financing activities					
Borrowing costs	(278)	(714)	436	61	9
Trust funds and deposits	(292)	9	(301)	3,344	10
Repayment of borrowings	(695)	(695)	-	-	
Net cash (used in) financing activities	(1,265)	(1,400)	135	10	
Net increase (decrease) in cash and cash equivalents	(552)	(4,856)	4,304	89	
Cash and cash equivalents at the beginning of financial year	52,291	52,611	(320)	-	
Cash and cash equivalents at the end of the financial year	51,739	47,755	3,984	8	

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 2014

Variance Explanation Report

Item	Ref	Explanation
Cash flows from operating activities		
Receipts		
Statutory fees and fines	1	Increased income from parking \$ 1,873K, local laws\$114K, planning \$144K, road opening \$116K and road maintenance \$193K.
User fees	2	Reduced income from ticket machine \$986K and road opening \$160K which are offset by the surplus in Statutory fees and fines.
Contributions - cash	3	The Open Space and Developer Contributions are not budgeted as they are difficult to predict and then transferred to the appropriate statutory reserves until required.
Other income	4	A settlement of \$1.4M was received during the year.
Net GST refund	5	The GST refund is not budgeted due to the uncertain value of refunds.
Payments		
Other expenses	6	There were minor savings achieved during the year.
Net cash (used in) investing activities		
Amounts invested in term deposits	7	Term deposits were previously budgeted within cash and cash equivalents due to their liquidity.
Proceeds from sale of property, infrastructure, plant and equipment	8	There were more assets sold than expected.
Cash flows from financing activities		
Borrowing costs	9	The budget includes cash collections costs \$490K which are directly offset as operating service expenses.
Trust funds and deposits	10	There was a major effort to inspect many old sites during the year, thereby clearing \$269K in deposits held.

12 FINANCE REPORT

Maribyrnong City Council
Comparative Report
Standard Statement of Capital Works
For the Year Ended 30 June 2014

Capital Works Groups	Actuals	Budget	Variances		Ref
	2013/14 \$'000	2013/14 \$'000	\$'000	%	
Land	-	1,250	1,250	100	1
Buildings	1,514	13,988	12,474	89	2
Plant, machinery and equipment	1,383	1,300	(83)	(6)	
Computers and telecommunications	1,051	2,026	975	48	3
Library books	509	990	481	49	4
Roads and bridges	3,535	6,720	3,185	47	5
Footpaths and cycle ways	960	-	(960)	100	6
Drainage	480	500	20	4	
Street furniture and equipment	1,237	-	(1,237)	100	7
Parks and recreation	-	2,454	2,454	100	8
Environmental	-	500	500	100	9
Waste	-	165	165	100	10
Transport	-	1,570	1,570	100	11
Community and culture	-	340	340	100	12
Total works in progress	13,651	-	(13,651)	100	13
Operating - Improvement works	6,388	1,281	(5,107)	(399)	14
Total capital & improvement works	30,708	33,084	2,376	7	
Operating - Improvement works	(6,388)	(1,281)	5,107	(399)	14
Total capital	24,320	31,803	7,483	(24)	
Represented by:					
Renewal	15,687	16,012	325	2	
Upgrade	6,721	5,157	(1,564)	(30)	15
New assets	1,912	10,634	8,722	82	16
Operating - Maintenance & Improvement works	6,388	1,281	(5,107)	(399)	17
Total capital & improvement works	30,708	33,084	2,376	7	

Maribyrnong City Council
Comparative Report
Standard Statement of Capital Works
For the Year Ended 30 June 2014

Variance Explanation Report

Item	Ref	Explanation
Land	1	The remedial works were expensed as the assets were not devalued due to contamination.
Buildings	2	Braybrook community hub and Burns street projects are in the works in progress (WIP). Stage 2 of Braybrook community hub was not commenced during the year. Other minor building work was expensed as scheduled repairs and maintenance.
Computers and telecommunications	3	The CRISP project is ongoing therefore remain in WIP.
Library books	4	The RFID library equipment was capitalised as Plant and Equipment and other minor works expensed.
Roads and bridges	5	South Hampton street carpark and other road projects that were not completed during the year, are held in WIP, and these will be completed next year. Other minor repairs and maintenance costs were expensed.
Footpaths and cycle ways	6	These assets were budgeted within the overall roads program.
Street furniture and equipment	7	The transport budget was capitalised within street furniture.
Parks and recreation	8	Some parks and recreation projects remain in WIP and other works expensed for landscaping works, strategies, fencing, compliance works and other repairs and maintenance.
Environmental	9	The tree planting works were expensed.
Waste	10	The replacement of damaged waste bins was expensed.
Transport	11	The bicycle implementation plan, carpark improvements, lighting and traffic management works were expensed.
Community and culture	12	This project remains in WIP but will be recognised as Building when completed. The public art project costs were expensed.
Total works in progress	13	A number of projects referred above, like buildings, carpark, IT, roads and other projects were not completed during the year and will be continued next year.
Operating - Improvement works	14	A number of projects for buildings, roads, transport, parks, environmental, IT, footpaths etc. had maintenance and other non capitalised items within the budget costs.

12 FINANCE REPORT

Maribyrnong City Council
Comparative Report
Standard Statement of Capital Works
For the Year Ended 30 June 2014

Variance Explanation Report (continued)

Item	Ref
Represented by:	
Upgrade	15 Renewal projects were reclassified as Upgrades.
New assets	16 Braybrook community hub and Burns street projects are in the works in progress (WIP).
Operating - Maintenance & Improvement works	17 A number of projects for buildings, roads, transport, parks, environmental, IT, footpaths etc. had maintenance and other non capitalised items within the budget costs.



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