



LATROBE CITY COUNCIL

MINUTES FOR THE SPECIAL COUNCIL MEETING

HELD IN NAMBUR WARIGA MEETING ROOM
CORPORATE HEADQUARTERS, MORWELL
AT 5.33PM ON
22 OCTOBER 2018

SM523

PRESENT:

| | | |
|---------------------|------------------------------|--|
| Councillors: | Cr Darrell White OAM, Mayor | South Ward |
| | Cr Dan Clancey, Deputy Mayor | East Ward |
| | Cr Graeme Middlemiss | Central Ward |
| | Cr Darren Howe | East Ward |
| | Cr Dale Harriman | East Ward |
| | Cr Kellie O'Callaghan | East Ward |
| | Cr Alan McFarlane | Central Ward |
| | Cr Brad Law | West Ward |
| | Cr Sharon Gibson | West Ward |
| Officers: | Gary Van Driel | Chief Executive Officer |
| | Sara Rhodes-Ward | General Manager Community Services |
| | Gail Gatt | General Manager City Development |
| | Steven Piasente | General Manager Infrastructure & Recreation |
| | Matthew Rogers | Manager Finance |
| | Brett McCulley | Manager Governance |
| | Larry Sengstock | Project Director - Major Recreation Projects |
| | Amy Phillips | Coordinator Governance |

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1. OPENING PRAYER

The Mayor read the opening prayer.

2. ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND

The Mayor read the acknowledgement of the traditional owners of the land.

3. APOLOGIES AND LEAVE OF ABSENCE

Nil apologies.

3.1 LEAVE OF ABSENCE

MOTION

Moved: Cr Gibson

Seconded: Cr Middlemiss

That Council grants a leave of absence for Cr Howe for the period commencing 6 November 2018 (or earlier if nomination occurs earlier) to the close of voting for the 2018 Victorian State Election.

CARRIED UNANIMOUSLY

4. DECLARATION OF INTERESTS

Nil.

5. PUBLIC PARTICIPATION TIME

Public Speakers

Members of the public who registered before 12.00 Noon were invited to speak to an item on the agenda.

The following persons spoke on an item on the agenda:

Presentation of the 2017-18 Annual Report

- Mr Merv Geddes

ITEMS REFERRED TO THIS MEETING FOR CONSIDERATION

6. ITEMS REFERRED TO THIS MEETING FOR CONSIDERATION

Agenda Item: 6.1

Agenda Item: Presentation of the 2017-18 Annual Report

Sponsor: General Manager, Community Services

Council Plan Objective: Ensure Council operates openly, transparently and responsibly.

Status: For Information

MOTION

Moved: Cr McFarlane

Seconded: Cr Clancey

That Council receives and notes the Latrobe City Council Annual Report 2017-18 in accordance with Section 134 of the *Local Government Act 1989*.

For Crs White, O'Callaghan, Middlemiss, Harriman, McFarlane, Howe, Clancey and Law

Against: Nil

Abstained: Cr Gibson

CARRIED

Executive Summary:

The *Local Government Act 1989* requires Latrobe City Council to submit the Annual Report, including the audited financial, standard and performance statements, to the Minister for Local Government within three months of the end of the financial year. Accordingly a copy of Latrobe City Council's Annual Report 2017-18 has been submitted to the Minister and will subsequently be loaded to the Know Your Council Local Government Portal.

In accordance with the *Local Government Act 1989*, the *Local Government Amendment (Performance Reporting and Accountability) Act 2004*, the *Local Government (Planning and Reporting) Regulations 2014*, Council is required to consider the Annual Report at a meeting of Council within one month after providing the Annual Report to the Minister.

Council is also required to give fourteen days' notice of the meeting and make copies of the Annual Report available for public inspection.

In accordance with the above mentioned legislative requirements, an advertisement was published in the Latrobe Valley Express on Monday, 8 October 2018, inviting the

public to inspect Latrobe City Council's Annual Report and informing the public that the Annual Report would be presented at the Council Meeting on 24 October 2018. Hard copies of the Annual Report are also available at services centres and libraries for viewing and electronically via Council's website.

A copy of Latrobe City Council's Annual Report 2017-18, as presented to the Minister for Local Government, is attached.

Declaration of Interests:

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 1989*.

Background:

The 2017/18 Latrobe City Council Annual Report includes the Local Government Performance Reporting Framework Key Performance Indicators, Governance and Management Checklist and Performance Statement in accordance with the *Local Government Amendment (Performance Reporting and Accountability) Act 2004* and the *Local Government (Planning and Reporting) Regulations 2014*.

It is being presented to Council to receive and note.

Councillors may wish to note that the Annual Report has been printed locally using Australian Paper stock.

Hard copies are available for inspection at all Latrobe City Council service centres and libraries and are available electronically from Council's website.

Reasons for Proposed Resolution:

It is a statutory requirement for the 2017-18 Annual Report to be presented and noted within one month of being submitted to the Minister.

Issues:

Strategy Implications

The 2017-18 Annual Report details the performance indicators of the organisation based on the 2017-21 Council plan objectives.

Communication

Hard copies of the 2017-18 Annual Report will be available for viewing at Council's Service Centres and via the website.

Financial Implications

There are no financial implications as a result of Council's consideration of this report.

Risk Analysis

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management policy.

Legal and Compliance

In accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*, Council is required to consider the Annual Report at a meeting of Council within one month after providing the Annual Report to the Minister.

Council was also required to give fourteen days' notice of the meeting which has been completed and make copies of the Annual Report available for public inspection after presentation to Council.

Community Implications

The 2017-18 Annual Report provides the community with an audited and transparent analysis of the organisation's performance for the financial year.

Environmental Implications

The final report has been printed on Australian paper and printed locally.

Consultation

Council's Audit Committee reviewed the financial, standard and performance statements of Latrobe City Council's Annual Report 2017-18.

The Victorian Auditor General's Office has audited the financial, standard and performance statements.

Other

Not Applicable

Supporting Documents:

Nil

Attachments

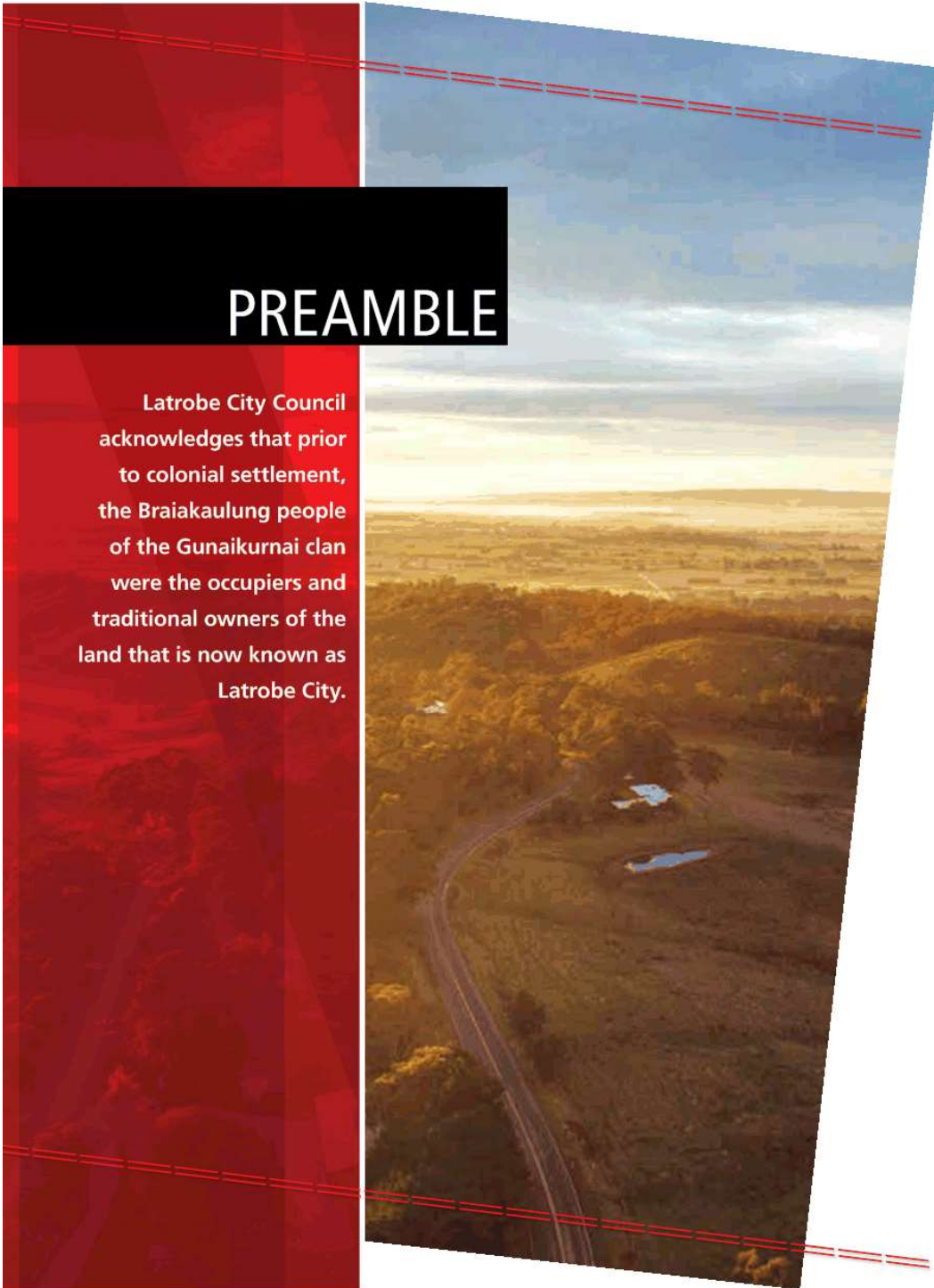
1 [↓](#). 2017-18 Annual Report

6.1

Presentation of the 2017-18 Annual Report

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PREAMBLE

Latrobe City Council acknowledges that prior to colonial settlement, the Braiakaulung people of the Gunaikurnai clan were the occupiers and traditional owners of the land that is now known as Latrobe City.

Chief Executive Officer's Report



GARY VAN DRIEL
CHIEF EXECUTIVE OFFICER

Reflecting on 2017/18, life in our city has seen considerable momentum towards positive change.

Social and economic transition is occurring on a broad scale and the decisions we have made this year have set us on a course that will have an enduring impact for decades and even generations to come.

Enabled via a truly high level, strategic Council Plan quite unlike any other in Victoria, each member of my team at Latrobe City has been empowered to use their knowledge and expertise to transform and innovate; to act decisively based on a firm understanding of Council's objectives and expectations; and to deliver all customers with an experience where they find themselves at the very centre of service delivery.

I am proud of what Council operations have achieved. Unencumbered by unnecessary layers of red tape, I am thankful for the level of trust Council has placed in my team and I to deliver municipal management in a new way.

Based on the results of the annual Community Satisfaction Survey it seems our community have taken notice, acknowledging a marked improvement in a raft of key areas including continued climbing trajectory of our customer service rating.

Commencing from corporate induction, officers are made acutely aware that in joining Latrobe City, each of us have committed to serving the community and so it is rewarding to see my vision being effectively translated and delivered to our community and other stakeholders.

A bold program of change, based on shared values and firm principles has positioned the Latrobe City workforce with the motivation and capability to confidently embark on an ambitious plan, including the largest infrastructure program in our history.

Over the past two years we have been successful in securing record investment in employment, liveability and education.

Armed with the Strength Led Transition Plan, developed in consultation with our community, it has been my privilege to be at the table with the Prime Minister, the Premier, and their respective ministers, providing an effective voice for Latrobe City families, and describing our aspirations for the future of our City in a way that has been received positively but more importantly, met with firm funding commitments.

Opposite: Aerial shot of farmland in the Latrobe City municipality.

Cover: Morwell Centennial Rose Garden

Inside Front Cover: Morwell Centennial Rose Garden volunteers - Del Matthews (R) and Bev Maguire (L)



Chief Executive Officer's Report

(CONTINUED)

We are building momentum towards broad scale change. Officers are primed to nurture each opportunity through to fruition via:

- rapid response times to ensure planning, zoning and permits that align with our strategic vision
- prudent financial management
- excellence in contemporary project management practices
- the pursuit of strategic investment to underpin the evolution and growth of new and emerging industries, as demonstrated by the establishment of the \$5 million Gippsland Logistics Precinct

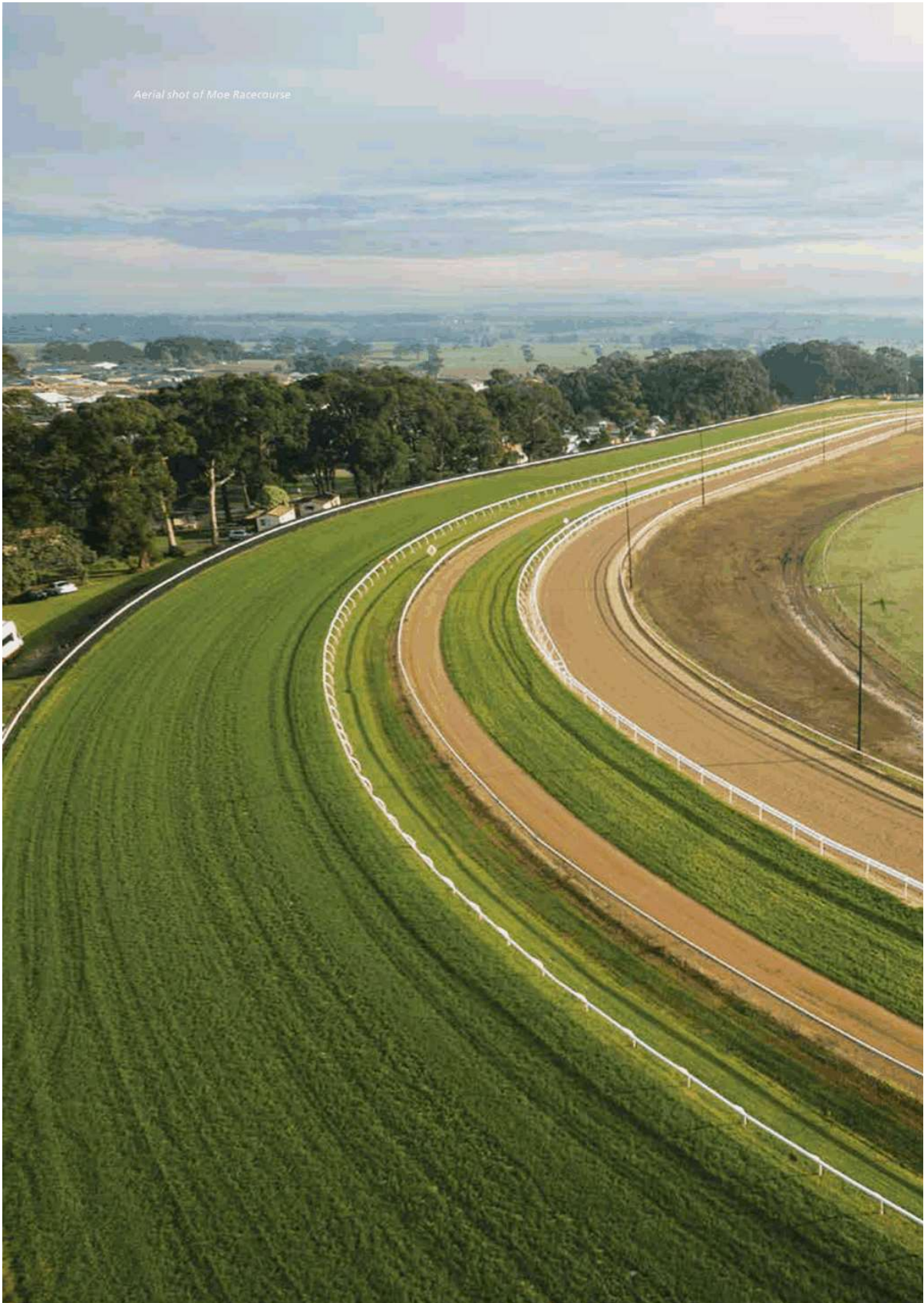
Latrobe City is a community with a strong identity. Latrobe City is comprised of people who are not intimidated or shy of heavy industry; who are known for embracing new things; and are renowned for being supportive towards those seen to be leveraging our existing talents and strengths to create new employment opportunities—and it is these defining attributes that make it my pleasure to serve them.

This year has been one in which we have set out to create the infrastructure necessary to nurture and sustain improvements in our social and economic prosperity. We have achieved much, as this document attests, and so it is with a sense of pride that I present to the Minister, Council and Latrobe community, the 2017/18 Annual Report.



GARY VAN DRIEL
Chief Executive Officer, Latrobe City

“Unencumbered by unnecessary layers of red tape, I am thankful for the level of trust Council has placed in my team and I to deliver municipal management in a new way...”



PREAMBLE

Why we have an Annual Report

Under the *Local Government Act 1989*, councils are required to report to the community on a variety of topics covering council operations, performance and finances.

HOW TO OBTAIN A COPY OF THIS REPORT

A copy of this report can be found on the Latrobe City website www.latrobe.vic.gov.au by searching 'Annual Report' and downloading or viewing a printed version at any one of our libraries or service centres. An accessible version is also available on our website.

To obtain this information in languages other than English, or in other formats, phone Latrobe City Council on 1300 367 700.

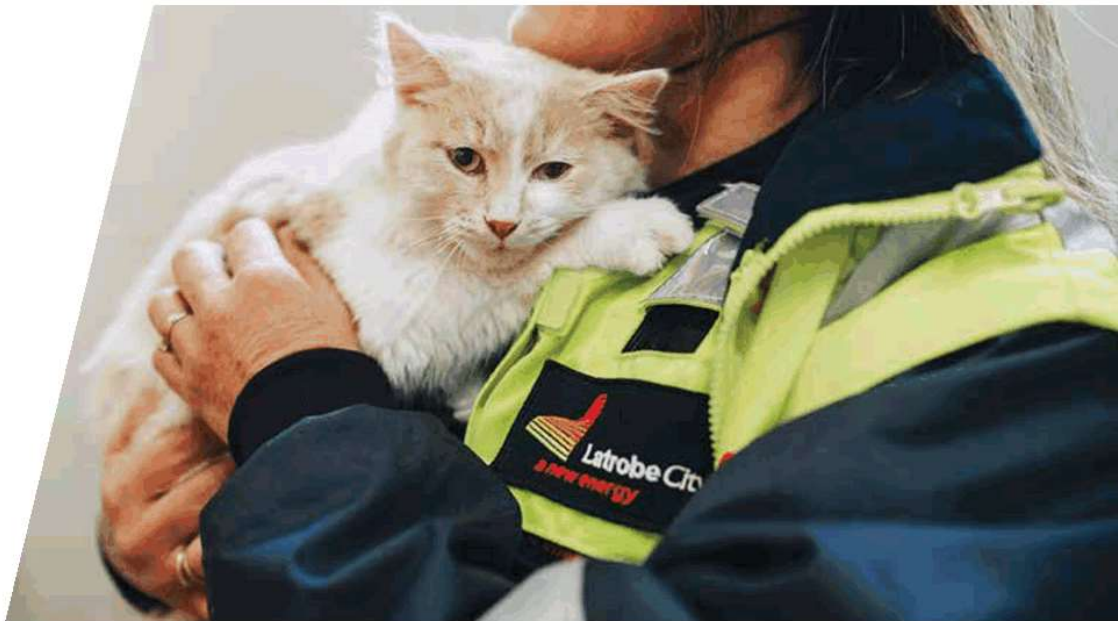
MOE SERVICE CENTRE
AND FRANK BARTLETT
MEMORIAL LIBRARY
1-29 George Street
Moe

MORWELL LIBRARY
63-65 Elgin Street
Morwell

LATROBE CORPORATE
HEADQUARTERS
141 Commercial Road
Morwell

CHURCHILL SERVICE
CENTRE AND LIBRARY
9-11 Philip Parade
Churchill

TRARALGON SERVICE
CENTRE AND LIBRARY
34-38 Kay Street
Traralgon



Latrobe City Council Local Laws officer at the Morwell Depot.

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PREAMBLE

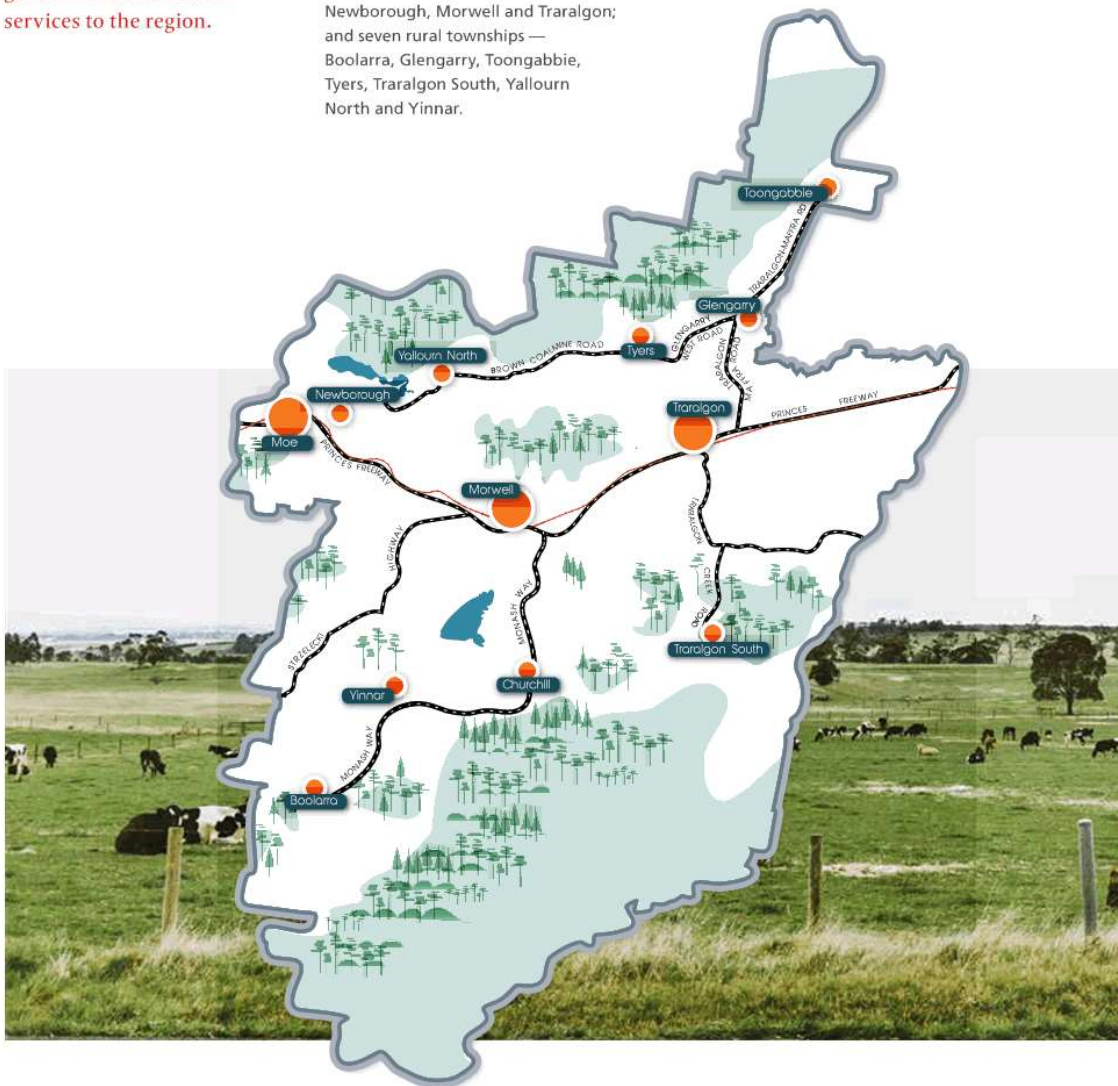
Latrobe City Snapshot

Latrobe City is Victoria's eastern regional city and Gippsland's primary service centre and employment hub, providing retail, entertainment, education, government and health services to the region.

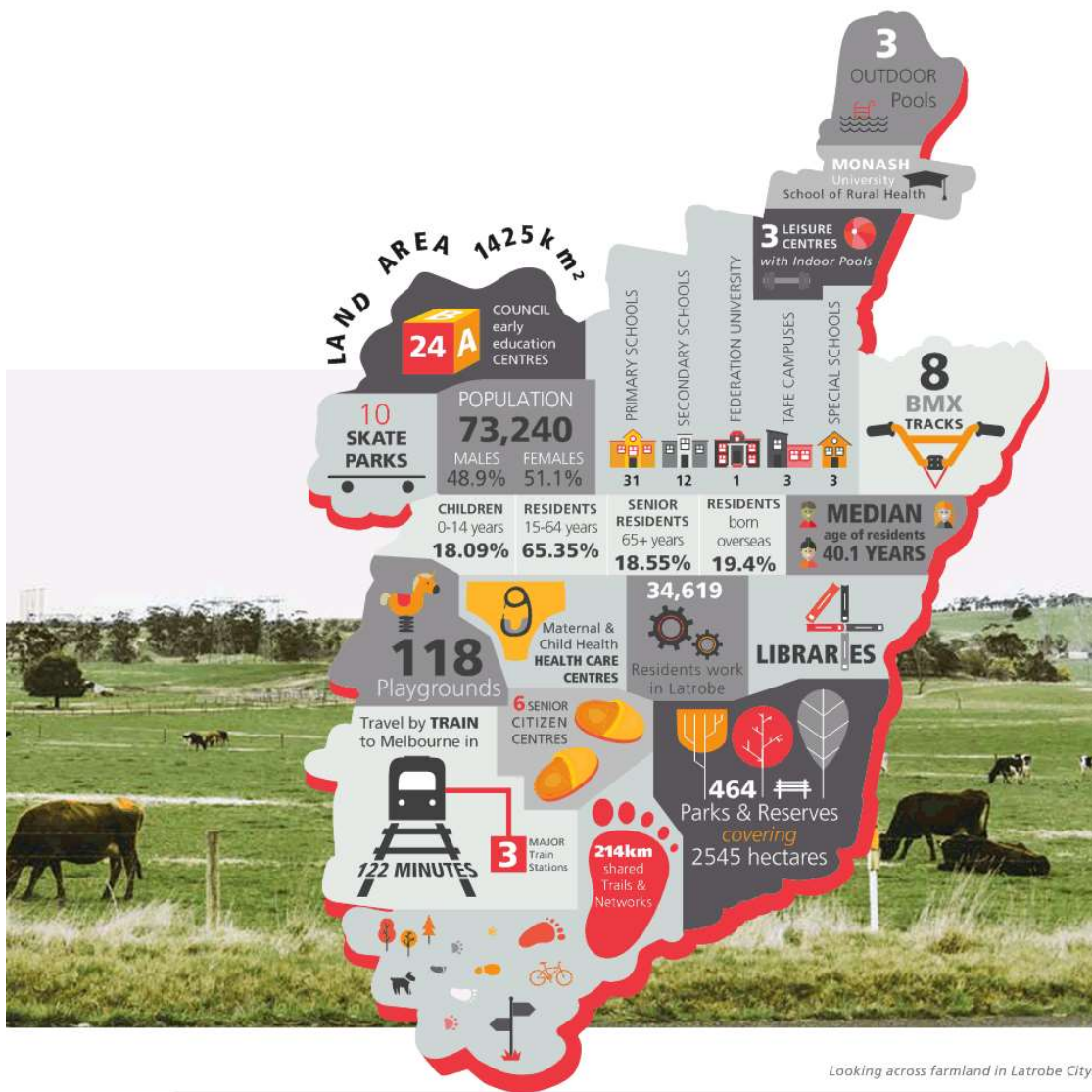
Latrobe City is a 90-minute drive east of Melbourne covering an area of 1425 square kilometres, situated between the Strzelecki Ranges to the south and the Great Dividing Range to the north.

The city is made up of four major towns — Churchill, Moe/ Newborough, Morwell and Traralgon; and seven rural townships — Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North and Yinnar.

The combination of major employers, the city's regional significance and affordable housing makes Latrobe City a centre of opportunity for both business and residents.



Latrobe's Profile



Looking across farmland in Latrobe City.

OUR LEADERSHIP

Latrobe City Council is a public statutory body which operates under the legislative requirements of the *Local Government Act 1989*. This act sets out the role of the Council as an elected body to provide leadership for the good governance of the municipal district and the local community.



Mayor's Report



CR DARRELL WHITE OAM
MAYOR

The ever present challenges faced by local government span planning, financial management and advocacy. Change is a constant, yet in my 30 years serving the community as a Councillor I cannot recall a year where the momentum and pace of change in Latrobe City has been as pronounced as this one.

The array of capital projects either completed, in progress or that we have set in motion will shape and impact life in Latrobe for generations to come.

We have obtained tremendous success in achieving understanding from both our State and Australian Government during this initial phase of economic transition. In accomplishing this we have been diligent in focusing on making decisions today that will underpin the future stability of our community and the prosperity of our region.

Armed with our community's Strength Led Transition Plan, Council has been proactive in representing and leading, as well as acting as a strong and consistent voice advocating for our City's vision for its continuing evolution. We should all be proud that we have remained resilient during this period of adaptation.

The strength of our united leadership during this continuing advocacy for our community has been rewarded—the evidence being a substantial flow of financial support from the State Government, through the Latrobe Valley Authority, along with our Australian Government to fund our community's aspirations.

I am conscious that the community are eager to see the new Latrobe Creative Precinct, sporting infrastructure and Gippsland Regional Aquatic Centre delivered, however it is critically important that we are diligent in the planning to ensure we get it right. Opportunities of this scale are difficult to come by and so we are being especially prudent to ensure we deliver suitable and sustainable assets for the community now and into the future.

Council's strong working relationship with the Latrobe Valley Authority has helped;

- Secure funding
- Develop programs
- Deliver events
- Enable our major recreation projects to take shape

The delivery of major events including (Big Bash Cricket, AFL & AFLW football as well as the NBL Blitz basketball) have placed a significant spotlight on our City that has allowed us to highlight all we have to offer.



Latrobe City Mayor Cr Darrell White OAM and Latrobe Valley Authority CEO Karen Cain show off concept plans for the new Gippsland Regional Aquatic Centre.

OUR LEADERSHIP

Mayor's Report

(CONTINUED)

We have seen an increase in opportunities for us to engage with those external to the region for both recreational visitation as well as commercial development opportunities have increased, leveraging the major infrastructure and events programs to a wide advantage for our community.

As a transitioning municipality we value education at all levels. Latrobe City is proud to be supporting a wide range of education providers including; Federation University, Federation Training, the Gippsland Technical School and the High Tech Precinct. As each provider adapts their product offerings to accommodate our community's needs.

By nurturing the growth of the international student population, these education providers simultaneously grow the diversity within our community—from which we all benefit.

The future of the region is also strengthened by the removal of the significant coal overlay limitation and opening up of the Morwell Industrial Precinct which will continue to attract and secure new industries to the region.

While major industry is the key jobs element of our community it's fair to say that the heart and soul of our economy is in the small businesses that are located as part of our community. These small businesses are also integral components that support our tourism industry which is continuing to expand through events tourism.

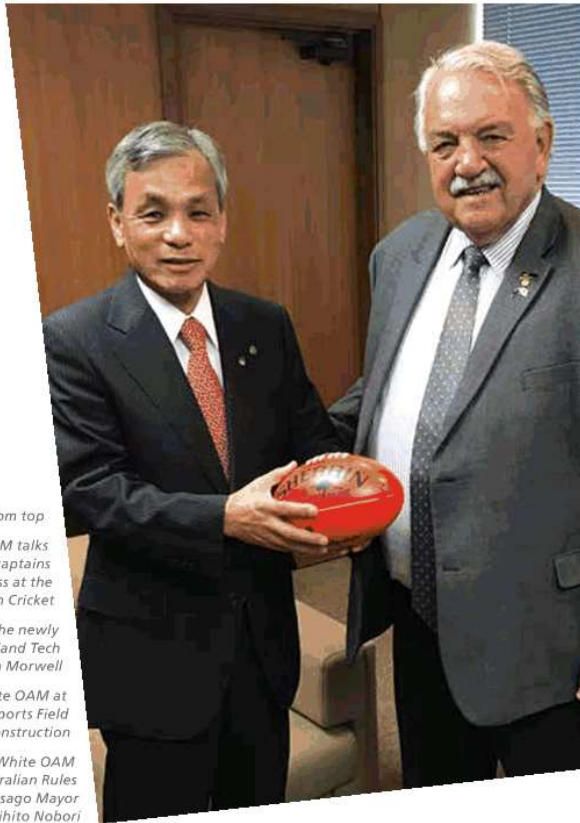
This opportunity is taken to sincerely acknowledge not only all those in our community who have worked alongside us to inform our advocacy, but also all who have extended care and support for those most immediately impacted by the economic change thrust upon us; to those who have entrusted us with a belief that our future is bright.

CR DARRELL WHITE OAM
Latrobe City Council Mayor



AFL Pre-season game
at Ted Summerton
Reserve Moe

OUR LEADERSHIP



Clockwise from top
Cr Darrell White OAM talks to the two team captains before the coin toss at the Big Bash Cricket
Exterior of the newly opened Gippsland Tech school in Morwell
Cr Darrell White OAM at Latrobe Synthetics Sports Field Pavillion during construction
Cr Darrell White OAM gifting an Australian Rules Football to Takasago Mayor Mr Yukihito Nobori

OUR LEADERSHIP

Your Representatives on Council

Latrobe City's council was elected on 22 October 2016 for a four year term, comprising nine councillors representing four wards.

WARD INFORMATION

The councillors elected to these ward areas are as follows:

East Ward



CR KELLIE O'CALLAGHAN
Phone: 0400 696 324
Email: kellie.o'callaghan@latrobe.vic.gov.au

Cr Kellie O'Callaghan is an East Ward Councillor who was first elected in 2008, again in 2012 and then again in 2016. Cr O'Callaghan was Mayor from December 2009 to December 2010 and in November 2016 to November 2017.



CR DARREN HOWE
Phone: 0429 113 015
Email: darren.howe@latrobe.vic.gov.au

Cr Darren Howe is an East Ward Councillor who was first elected in November 2016.



CR DALE HARRIMAN
Phone: 0419 399 093
Email: dale.harriman@latrobe.vic.gov.au

Cr Dale Harriman is an East Ward Councillor and former Mayor. He is currently serving a third term and was first elected in 2011 (following a resignation).



CR DAN CLANCEY (DEPUTY MAYOR*)
Phone: 0428 664 968
Email: dan.clancey@latrobe.vic.gov.au

Cr Dan Clancey is an East Ward Councillor who was first elected in November 2016.

** The Mayor and Deputy Mayor were elected at the Special Council Meeting held on 2 November 2017.*

Central Ward



CR GRAEME MIDDLEMISS
Phone: 0417 379 059
Email: graeme.middlemiss@latrobe.vic.gov.au

Cr Graeme Middlemiss is a Central Ward Councillor who was first elected in 1997 during the first La Trobe Shire Council elections. Graeme Middlemiss has been on Council for 19 years and was Mayor from March 2003 to March 2004.



CR ALAN MCFARLANE
Phone: 0428 645 402
Email: alan.mcfarlane@latrobe.vic.gov.au

Cr Alan McFarlane is a Central Ward Councillor who was first elected in November 2016.



South Ward



CR DARRELL WHITE OAM (MAYOR*)
Phone: 0417 377 645
Email: darrell.white@latrobe.vic.gov.au

Cr Darrell White is a South Ward Councillor who was first elected in 1997 during the first La Trobe Shire Council elections. Cr White is currently the Mayor and has previously been Mayor three times.

West Ward



CR BRADLEY LAW
Phone: 0428 560 501
Email: bradley.law@latrobe.vic.gov.au

Cr Brad Law is a West Ward Councillor who was first elected in November 2016.



CR SHARON GIBSON
Phone: 0429 338 762
Email: sharon.gibson@latrobe.vic.gov.au

Cr Sharon Gibson is a West Ward Councillor who was first elected in December 2008, again in 2012 and then again in 2016. Cr Gibson was Mayor from November 2013 to October 2014 after serving as Deputy Mayor three consecutive times.



**OUR COMMUNITY'S
REFLECTIONS OF
2017/18**

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Latrobe City Council

COMMUNITY REFLECTIONS OF 2017/18

2017/18 has been a year of great achievements that will continue to assist our transitioning community. There have been a number of significant projects commenced this year or are in the planning stages that will provide great future benefits for our community.

A small snapshot of our community has been captured through the following stories and images, that demonstrate our community's resilience as well as its willingness to adapt and evolve. It's this resolve that makes our community so strong and will lead us to a prosperous future.

Opposite: Late afternoon walk at Agnes Brereton Park, Traralgon.

Annual Report 2017/18

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COMMUNITY REFLECTIONS OF 2017/18

Rose Garden blooms for 25th anniversary celebrations

Old books, newspapers and other memorabilia of the Morwell centenary celebrations were unearthed when the Morwell Centenary Rose Garden time capsule, originally buried on 1 November 1992, was officially opened by Bruce Ellen General Manager at the Latrobe Valley Express

In a serendipitous alignment, the rose garden was originally opened at another significant historical anniversary - the centenary of the township of Morwell. Twenty-five years later, when the flowers were in full bloom, the community celebrated its flourishing success with the unearthing of the time capsule.

Unfortunately, the contents did not fare too well underground. However, a local historian at Federation University, Professor Erik Eklund, identified the items and reproductions were made of most of the collection, providing a fascinating insight into the history of the garden and of the times.

President of the Rose Garden Committee, Del Matthews, said the hardworking and dedicated volunteers had worked for 25 years to build the reputation of the garden.

"It has transformed from a vacant reserve to an internationally recognised garden. It was only the second garden in Australia to have received the honour of being awarded the Garden of Excellence Award by the World Federation of Rose Societies."

"The 25th anniversary is an exciting time to appreciate just what has been achieved over the years and how beautiful the garden is; and what joy it gives, and has given to so many; and to remember the many wonderful friends who have contributed to the establishment of this special place," Ms Matthews concluded.

“It was only the second garden in Australia to have received the honour of being awarded Garden of Excellence by the World Federation of Rose Societies.”





*Cr Darrell White OAM
and Bruce Ellen General
Manager at Latrobe
Valley Express opening
the time capsule at the
Morwell Centenary Rose
Garden 25th anniversary
celebrations*

COMMUNITY REFLECTIONS OF 2017/18

Free WiFi

The freedom to connect has been freely available in Latrobe City, with public WiFi hotspots being rolled out by Latrobe City Council throughout the past year.

Perhaps the most utilised of these hotspots are at Latrobe City Libraries.

Morwell resident Telitda Maynard said she found the WiFi very reliable.

Visiting the Morwell Library sporadically, she said she used the WiFi to "contact someone or read online books."

Thrilled with being able to access the WiFi both inside and outside the building, Telitda said she had accessed the WiFi up to 2 metres away from the entrance.

Not just available to locals the WiFi is now also accessible to visitors to Latrobe City, like Lam Deng and James Chol from Melbourne, who recently accessed the WiFi while in town visiting family.

"I think being able to access WiFi is important. If you run out of data you can still call people overseas, access your bank records, it's very helpful in that way," Lam said.

"It's a good service," James added, explaining that he was using the internet connection to search for jobs.

It is available 24/7, even if the facilities are shut the WiFi is still running.

A full list of locations is on the Latrobe City website, with the service soon to be available at train and bus stations.

“...You can stand under shelter when it’s raining... wait until the rain stops or come inside where there are comfy couches”



Telitda Maynard accesses ebooks on her phone, using the free WiFi at Morwell Library

Airlie Bank Homestead

Likely to be seen gathered around the kitchen having a cup of tea and a chat while engaged in interesting conversations, members of the University of the Third Age (U3A) are making Airlie Bank Homestead their new home.

Bequeathed to the Shire of Morwell in 1959, the heritage property has been used for a range of purposes, with U3A the latest to build a history there and add to its story.

U3A is an educational organisation for retirees looking to expand their knowledge, in this, their third phase of life.

U3A Property Management Officer, and long term member, Lorraine Bull couldn't be more pleased with the venue.

“...It has a very pleasant and welcoming atmosphere with lovely garden and park setting”

U3A is an organisation that keeps retirees physically and mentally active and socially connected.

“In 2017 we had more than 200 members, about 40 courses and more than 5000 individual attendances at classes,” Lorraine said.

Modifications include an air conditioner in the annexe, a new pathway, internet access, lighting improvements, draught proofing and pest control.

The dedication and love for the site is apparent when you see group members investing their time in the busy working bees—even in the rain!



(Outside) Trish Lawson, U3A president Marianne Colwell, Marg Boyes, John Lawson, Lorraine Bull and Val Beggs celebrate the new tenancy of Airlie Bank Homestead, as U3A helps seniors to stay connected and active within the community

(Kitchen) Val Beggs, Lorraine Bull, Trish Lawson, Marianne Colwell, Marg Boyes and John Lawson share a cuppa as U3A becomes the new tenant of the Airlie Bank Homestead



COMMUNITY REFLECTIONS OF 2017/18

Active Kids Expo

With statistics showing an increased drop in children's participation in sport from the age of 12, Churchill Soccer Club vice president, Peter Ceeney realised it was going to take something special to keep kids engaged.

"As a soccer coach I hated seeing children leave our sport because it meant we couldn't fill teams."

Withdrawals force children and their families to leave the sport or travel to neighbouring towns to continue.

Working in conjunction with Churchill baseball, bowls, tennis, hockey, cricket, junior football and Lions clubs; Churchill indoor junior basketball and netball associations, Churchill Scouts, Churchill and Monash Golf Club, Churchill Walk Jog Run, Federation University, Gippsport and Latrobe Community Health, Peter developed an innovative way for children, and volunteers, to sample what the town had to offer.

He applied for, and was granted, a \$2000 Latrobe City Council community grant for a coaches and volunteers presentation session which was used to hold the inaugural Active Kids Expo at Gaskin Park last year.

Like many parents, Peter encouraged his son, Wyatt, to play the sports he enjoyed growing up (soccer and cricket) although his son soon lost interest.

"He joined Army Cadets as a 13 year old and loved it. It was one of the things that made me realise how different were all are and how, once we find that thing or things we love, we'll stick at it."

Another Active Kids Expo is set for March.

Following the success of last year's program, the 2018/19 Latrobe City Council community grants have been raised to amounts up to \$5000.



Top: Churchill resident has a try at boxing

Bottom: Participant shoots a goal at the netball activities



COMMUNITY REFLECTIONS OF 2017/18

“... Once I realised other sports and activities in Churchill suffered the same issues it made sense to tackle the problem collectively”



Centre: A Churchill Football Club Volunteer shows a participant to handball

COMMUNITY REFLECTIONS OF 2017/18

Child Safe Council

IT TAKES A VILLAGE TO RAISE A CHILD.

With 1510 children in various care arrangements across Gippsland, Latrobe City Council has taken positive steps to implement Child Safe Standards throughout the organisation and embed a culture of child safety.

Setting a best practice approach, all Latrobe City staff are now required to obtain a Working With Children Check and undertake Child Safe training which includes how to appropriately respond and report allegations or suspicions of child abuse.

Child sexual abuse statistics indicate that 90 per cent of victims know their abuser and as such it is important

to educate children on the risks, challenging the prevalence of the stranger danger message of the 1960s.

It is shown that children who are educated, confident and know their rights are less likely to be targeted by abusers.

Berry Street Morwell 4 Kids Project Coordinator, Sean McLoughlin said it was great to see organisations making child safety a key part of their corporate culture to help stamp out the cycle of abuse.

"Family violence is high in the community and family violence with a young person present is very high."

"This has a high impact on the developmental opportunities for children," Sean said.

"Promoting good, safer, nurturing childhoods is important as our 3500 children in the next 20 years will be citizens and residents of Morwell and Latrobe Valley."

As at 30 July 2018 Latrobe City Council was at 95 per cent compliance in regards to Child Safe training, with the further 5 per cent, comprised of seasonal casuals, to complete their training later in the year.

“Morwell has 3500 children from birth to age 18, with 218 babies born this year.”



An early childhood educator explores the garden with two children at a Latrobe City Council Preschool

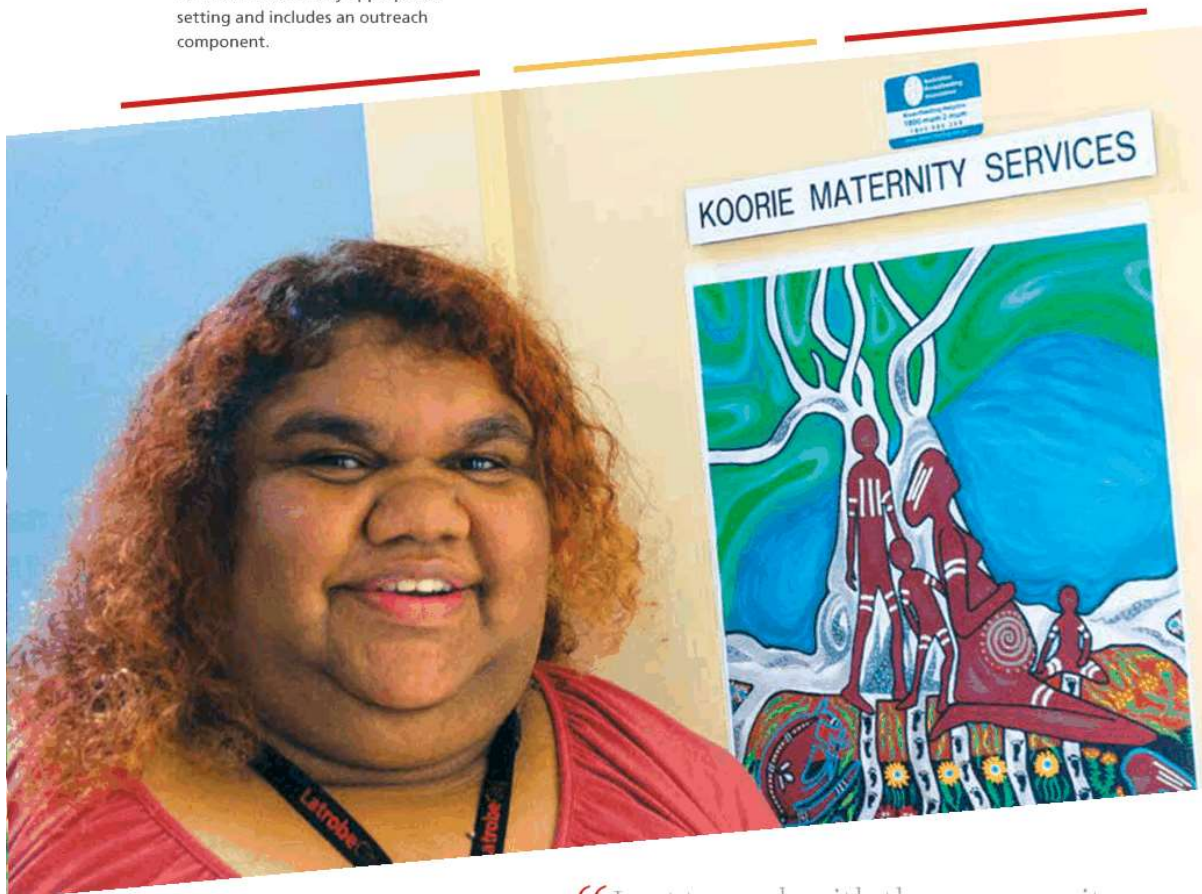
Aboriginal Health Worker

Maternal and Child Health services expanded their service this year with the addition of an Aboriginal Health Worker to the team.

Allirra Edwards works alongside a Latrobe City Council Maternal and Child Health nurse from Koorie Maternity Services at Ramahyuck District Aboriginal Health Service, to provide aboriginal families with services in a culturally appropriate setting and includes an outreach component.

Latrobe City Council is a proud supporter of the Steps to the Future program, developed to improve indigenous employment opportunities in Gippsland.

The program offers candidates pre-employment training, wage assistance, cross-cultural training, mentoring and support, working together to close the gap.



“I get to work with the community which is something I’ve always wanted to do”

Latrobe City Council Aboriginal Health Worker Allirra Edwards

COMMUNITY REFLECTIONS OF 2017/18

Mid Valley Maternal and Child Health Centre

Becoming a new parent can be rough: the lack of sleep, new responsibilities and adjusting to a new routine.

Even for an experienced early childhood educator, like Laura Pirotta, it pays to have access to professional advice.

Access to Maternal and Child Health Services in Latrobe City improved since February this year, with the opening of a Maternal and Child Health Centre at Mid Valley Shopping Centre.

It is more convenient for families compared to the former Vincent Road site, due to its proximity to public transport, being situated at the bus terminal end of Mid Valley shopping centre.

This means staff can make more on site appointments for parents who were previously unable to travel to the Vincent Road centre and, as such, relied on outreach support.

There is also an administration officer on site to assist with other Family Service enquiries such as preschool enrolments and childcare.

Baby Addy attends for her check up with the help of mum Laura Pirotta and big sister, 3-and-a-half-year-old Lila, and Latrobe City Maternal and Child Health Nurse Elizabeth Bell

“It’s fresh and new compared to Vincent Road” Laura said,
“It is very convenient to come here if you need to do anything else.”



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Latrobe City Council

COMMUNITY REFLECTIONS OF 2017/18

Berry Street Morwell Library Partnership

When customers walk into Morwell Library on a Thursday, they are met with Berry Street Neighbourhood Learning Links Coordinator Den Lim's bright smile.

Den is working out of the library to help connect members of the public with the adult education and job services in the region.

Morwell is the only town in Latrobe City that doesn't have a community learning program or Learn Local Network... until now.

In other towns, Traralgon, Moe, Churchill and Yinnar, the local neighbourhood house often has comprehensive programs to engage adult learners and job seekers. Morwell does not.

"It's not reinventing the wheel," Den said, "There are a lot of courses out there; we are just linking them together."

The partnership between Morwell Library and Berry Street grew organically, starting out as a one-off computer literacy program in February this year. It quickly grew into an informal meeting space for people wanting to complete training programs or develop their skills in an informal manner.

“We promote library membership and encourage clients to come and use the resources, making it a real win-win,” Den said.”

Den said the program was about taking the scariness out of learning and making it fun.

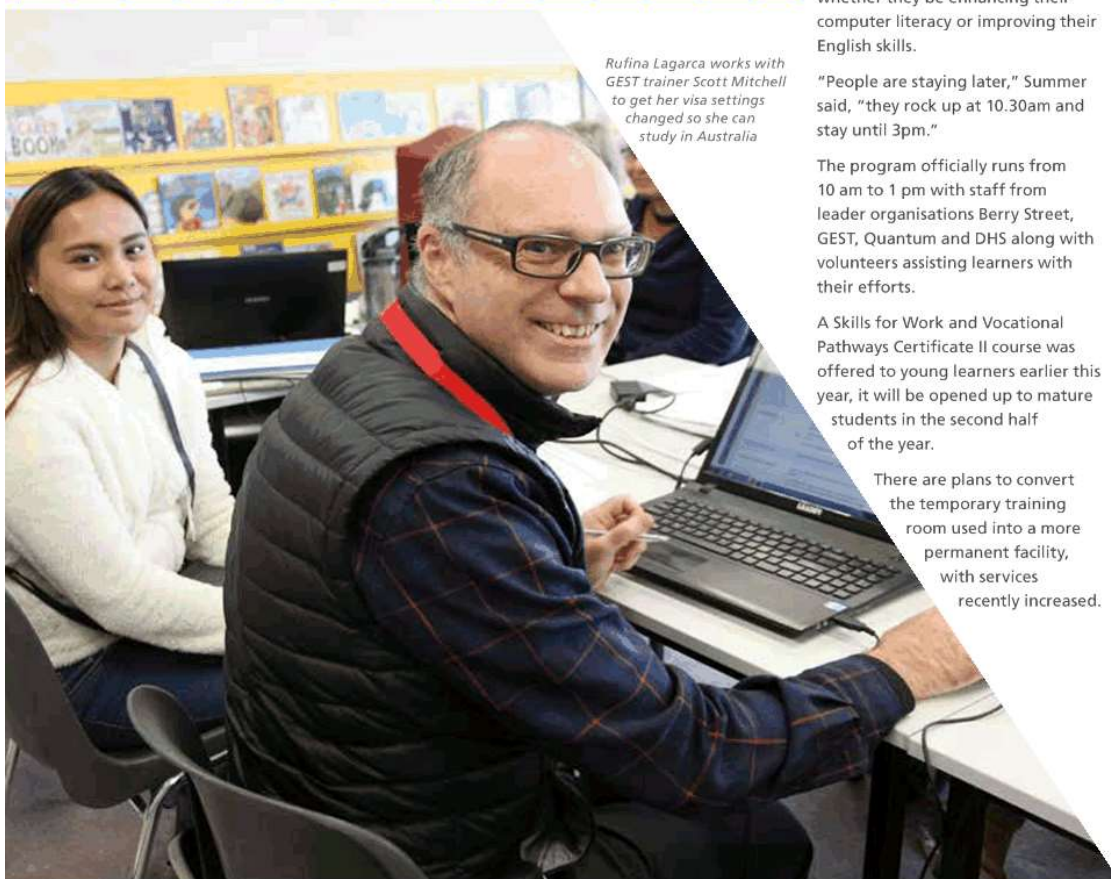
Summer Lakeman, a client turned mentor, said she loved coming in to volunteer every week and interacting with the growing mix of people, whether they be enhancing their computer literacy or improving their English skills.

"People are staying later," Summer said, "they rock up at 10.30am and stay until 3pm."

The program officially runs from 10 am to 1 pm with staff from leader organisations Berry Street, GEST, Quantum and DHS along with volunteers assisting learners with their efforts.

A Skills for Work and Vocational Pathways Certificate II course was offered to young learners earlier this year, it will be opened up to mature students in the second half of the year.

There are plans to convert the temporary training room used into a more permanent facility, with services recently increased.



Rufina Lagarca works with GEST trainer Scott Mitchell to get her visa settings changed so she can study in Australia



COMMUNITY REFLECTIONS OF 2017/18

Nyernila Aboriginal Storytime

Surrounded by the sounds of the bush reverberated through the iconic indigenous instrument the didgeridoo, children gather in a circle to share in the great Dream Time stories of Australia's first peoples.

The Nyernila Storytime program, operating across Latrobe City Libraries branches, supports the objectives of the Marrung; the Victorian Aboriginal Education Association's Aboriginal Education 10 year Plan, and is just one of the ways Latrobe City Council is working to Close the Gap.

Nyernila means deep and respectful listening and according to Latrobe City Libraries' Aboriginal Engagement Librarian Jaslyn Morris, oral storytelling helps children to develop a sense of identity both as individuals and within their family but also to find their place within Australia's rich cultural history.

"Sometimes when I finish, the kids get up and try to tell me more about what happens next," Jaslyn chuckled, explaining how the oral storytelling allowed children to use their imaginations in a way that they don't when shown a picture book.

Since the program's introduction last year it has grown, in line with the community's want to be more culturally aware.

Jasmin Baker, who regularly attends Nyernila with her daughter Rose Burton, said, as a parent, she especially loved learning about indigenous culture, especially little things like the language.

As for two-and-a-half-year-old Rose, she's just excited to join in with the activities and dance along to the songs.

Though she's had to adapt some of the stories for her young audience, Jaslyn has retained a sense of tradition while making allowances for the professional setting.

"Traditionally the stories would be told around the campfire after the last meal of the day," she explained.

Her message for the future is simple: "If you want to close the gap you've gotta teach the young."

“It’s good having the option of doing something we don’t normally do... to learn things about the culture we otherwise wouldn’t.”



Jaslyn Morris shares a Dreamtime story with the children at the Moe Library.

COMMUNITY REFLECTIONS OF 2017/18

Welcoming and Age Friendly Seniors

A smile a day keeps the doctor at bay.

Social isolation and loneliness has been found to increase the risk of premature death by 30 per cent, making it more harmful than smoking 15 cigarettes a day.

Chronic loneliness can also increase the risk of diabetes, heart conditions, stroke, depression and dementia in the elderly.

It is for this reason Latrobe City Council developed its 'Welcoming & Age Friendly' project, in conjunction with local groups and clubs.

Traralgon Country Women's Association president Barb Derham was the first to volunteer for the advisory committee.

Though a large part of Barb's involvement was in assessing buildings to ensure safe access for the elderly she said the simplest things often made all the difference.

"We welcome people at the door and introduce them to everyone in the room and ask what their interests are."

She said being around like-minded people was essential in breaking down social isolation and establishing friendship networks within the community.

Fellow CWA member Bev Jarvis said seniors need programs that allow them to get out of the house.

"Some are in nursing homes and need to get out and about to change the scenery," Bev said.

"A lot of people who have partners to look after need respite now and again," Barb added.

"We finish meetings with a cup of tea and new members are welcome to join us and have a chat... or a large piece of sponge cake."

Latrobe City Council has developed a training package for other local clubs to embrace the 'Welcoming & Age Friendly' brand, with successful clubs awarded a certificate and 'Welcoming & Age Friendly' logo to display on their premises.



“We finish meetings with a cup of tea and new members are welcome to join us and have a chat... or a large piece of sponge cake”

Members of Traralgon
Country Womens's
Association meet
around a table while
knitting

Pet Adoption Pay at Pound

Looking for the purrrfect pet, Morwell's Maryanne Delost found a forever friend while visiting Latrobe City Council Pound late last year.

"I wanted to give a cat a good home and to rescue one just felt like the right thing to do."

Maryanne could have chosen any of the fluffy little kittens or graceful mature cats surrendered for adoption, but she fell in love with a beat-up tom cat.

Typically such cats are difficult to adopt out as they can appear quite aggressive looking and scrappy due to their scars.

"I'd been calling into the pound over a few weeks and had put my name down for a couple (of cats) but missed out," Maryanne explained.

It was during the last of these visits that Maryanne met Smokey.

"He just kept meowing at me," Maryanne said, "so I asked if I could hold him."

As they retrieved Smokey from his cage staff told Maryanne that he'd just become available for adoption as the family originally registered to take him home changed their mind.

"When I held him he put his arms around my neck as if to say 'don't let me go'," Maryanne said.

"He had a few battle scars on him but I just knew I wanted him."

In the market for a cat that would be able to stand up to her dogs, Maryanne struck gold with Smokey.

"When I got him home he didn't give two hoots about the dogs and stood his ground," Maryanne said, explaining that they now all happily slept beside her on her bed at night.

"I wouldn't be without him now."

Unclaimed animals are usually available for adoption eight days after they are initially impounded.

Prospective owners are encouraged to visit the pound to become acquainted with available pets.

As of December 2017 customers wanting to adopt, or pay pound releases, can do so at the pound – EFTPOS only – during pound operation hours.

For all other times, or if paying in cash, payments must be completed at Latrobe City Service Centres or Libraries in Moe, Morwell, Traralgon and Churchill.



Above: Latrobe City Council Pound employee shows off the new payment method available at the pound

Below: Maryanne with adopted cat Smokey

“When I held him he put his arms around my neck as if to say 'dont let me go'”



COMMUNITY REFLECTIONS OF 2017/18

Coal Overlay Removal

Historical coal overlays that applied to large areas of industry zoned land south of Morwell have, this year, been removed following Latrobe City Council's continuous advocating on behalf of the community.

Among those affected, Mandikos Haulage company director Jim Mandikos, was thrilled with the change to the state legislation.

Owner of land in Firmins Lane and surrounds, Jim said the changes would open up industrial land and bring investors and employment opportunities into the region.

"It will allow a bit of a diversion from coal and electricity into new and diverse industry," Jim said, describing the changes as a boon for heavy industry.

"The thing is, the Valley is still a major power generator, even after Hazelwood was shut down," he said.

"Bringing heavy industry closer will help prevent losses in energy as it goes through the powerlines, as the industry will be closer to the source, making it much more economic."

In addition to heavy industry Jim would like to see more housing developments in the region.

"I hope more people get behind it and make a go of the opportunity that has presented itself."

Latrobe City now has access to more than 460 hectares of Industrial zoned land thanks to the coal overlay removal.

“Latrobe Valley is a lovely place to live and bring up kids”



Industrial zoned land

Business Workshops

Students at St Mary's Primary School, Newborough, were encouraged to dream big as the budding entrepreneurs took part in a business workshop.

The exercise saw students not only write a business plan but also work out proposed pricing and a marketing campaign in the hope of turning a profit.

Students ideas included soccer coaching, fixing and selling abandoned cars, colourful candles, lolly flavoured milkshakes and home personal training.

Not the only demographic looking to increase their business savvy, Latrobe City Council also hosted a Small Business Two-Day Workshop for Parents earlier this year.

Taking place at Moe P.L.A.C.E across two consecutive weeks, the workshop provided participants with practical skills and knowledge to build a successful business foundation.

Attendees Jessica Holland and Stacey Harriage were thrilled with the program.

"The facilitators were both so engaging and tailored the workshop to suit those attending," Jessica said.

With two businesses, at different stages, on the go Jessica was able to come away with knowledge to help her with both her ventures.

"It was fantastic that my son was able to attend care, free of charge, while I attended the workshop."

Stacey agreed, stating that the workshop content was relevant to her small business.

"The workshops were interactive and informative and I would recommend to anyone starting out," she said.

"The opportunity to network with other entrepreneurial mums was great and the inclusion of childcare in the program allowed ease of attendance."



St.Marys students asking questions during the workshop



Queens Baton Relay participants
Cheryl Hibbs (L) and Emily
Beecroft (R) at Kernot Hall

Queen's Baton Relay

Latrobe City's resident mermaid, Paralympian and Latrobe City's 2017 Young Australian of the Year, Emily Beecroft swapped her fins for feet to take part in Latrobe City's leg of the 2018 Gold Coast Commonwealth Games Queen's Baton Relay.

The 18 year old was given the honour of being Latrobe City's final baton bearer, bringing the baton into Gippsland Immigration Park Morwell.

"It was such a once in a lifetime experience and is something that I will remember forever," Emily said. "It was so much more fun than I expected."

Emily was nominated for the role by the community for her achievements at the 2016 Rio Paralympics, 2017 World Swimming Championships and for qualifying for the 2018 Gold Coast Commonwealth Games.

"This was a special experience for me compared to all of my other sporting achievements, because this was in my own home community and so many friends and family came out to support me." Emily said.

"The day had such a good turn out, and everyone was cheering for me, which was really special."

Emily has just completed swimming in the Australian Swimming Trials at Adelaide.



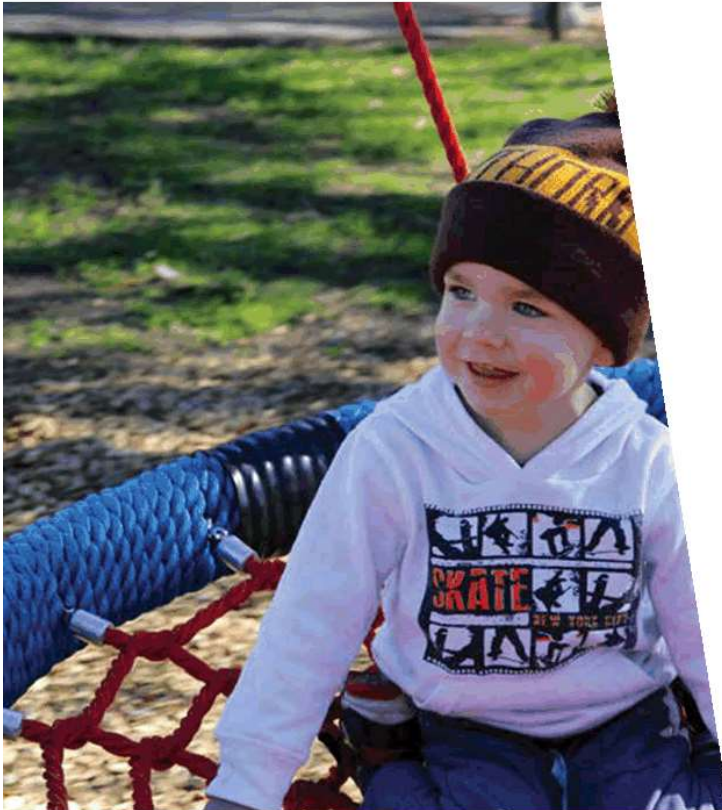
“It was such a once in a lifetime experience and is something that I will remember forever”

Latrobe City's final baton bearer
Emily Beecroft at Immigration Park

COMMUNITY REFLECTIONS OF 2017/18

Play Spaces

Whether they are flying like superheroes on the swings or walking the perilous rope bridge careful not to fall into the crocodile infested waters below, children need spaces to play and grow.



And what better place than the neighbourhood park?

Playing helps children to develop strong motor skills and boosts their creativity and imagination, as they interact with the world around them.

It is for this reason that play spaces throughout Latrobe City are undergoing necessary upgrades.

Newborough residents Darren and Samantha North couldn't be more thrilled by the developments at their local Hearn Park (adjacent to Henry White Reserve) which give their son Hudson more space to play.

"It's much better," Samantha said surveying the changes in her first visit to the new facilities.

"We only live up the road so we come to the park often."

Darren agreed, "It's better than before. The park is twice as big, there are more things to do and if more kids are here they can all play."

The Hearn Park upgrade included the installation of a new play unit (including double slide and bird's nest swing), new paths and park furniture; and new trees.

"It's too much fun," said 3-year-old Hudson, diving down the double slide – his favourite new feature of the park.

"Everybody wants a double slide!"

Latrobe City Council is in the second year of its five year Play Space Improvement Plan, with parks at Nindoo Drive, Morwell; Angela Court Reserve, Morwell; Bond Park, Traralgon; Wood Park, Traralgon; Flynn Reserve; Jeeralang Avenue, Newborough; HG Stoddart Memorial Park, Moe and Stoddart Street Reserve, Moe also upgraded this financial year.

Three-year-old Hudson North plays at Hearn Park/Henry White Reserve, keen to try out all the new equipment – but especially the double slide

Foil Back Scheme

When we go to the hairdressers for a cut and colour we don't often pay much heed to the foil in our hair instead focusing on the coffee, conversation and pampering we receive.

Yet, recycling one kilogram of aluminium foil saves 20 kilograms of greenhouse gases entering our atmosphere, reduces the amount of waste going to landfill and recycling aluminium uses 95 per cent less energy than creating new aluminium with aluminium able to be recycled indefinitely without degrading in quality.

With Boulevard Salon, Morwell using more than 300 metres of foil every fortnight, owner/manager Sally Knutt was keen to get involved with Latrobe City Council's Foil Back Scheme when it was piloted in 2016.

Her input helped to make the program what it is today – award winning.

Latrobe City Council was lauded at the 2017 Sustainable Cities, Keep Australia Beautiful Awards, winning both the Environmental Sustainability – Community Projects section for the Foil Back scheme and the overall title of 2017 Sustainable City of the Year.

"When it first started I was worried it was going to take too much time but once the system was in place, it just becomes part of the daily chores," Sally said.

"At first we rolled the foil into balls but that was very time consuming; now we pop them in onion bags and put them straight in the recycle bin."

"You can squash more foil into onion bags than you can put in a bin," Sally said.

"It's great, I definitely recommend it."

Mesh bags are available from Latrobe City Service Centres, or Norris Hair Gippsland and are free of charge to all salons and at-home hairdressers in Latrobe City for the disposal of foils and colour tubes.

Hairdresser Sally Knutt shows off the onion bag of squashed foil ready for recycling



COMMUNITY REFLECTIONS OF 2017/18

Battery Buckets

Power to Recycle

Everyone in our community now has the power to recycle used household batteries at Latrobe City Libraries and Service Centres via special battery buckets provided as part of Council's environmental sustainability initiatives.

Among the first to make use of the system was Traralgon's Vicki Needham.

"I fix computers, I had a few batteries that weren't working and rather than put them in the rubbish I thought I'd pop into the library and put them in the tub."

Vicki said at times she could have up to half a dozen computer batteries in need of disposal and finds the buckets at her library very convenient.

"I've always had an interest in computers and technology," Vicki said.

"I fix small to large problems for people and often when they upgrade they give me their old devices to refurbish," she said.

On occasion this means replacing the batteries and other components, many of which can be disposed of in the buckets supplied.

Vicki then re-gifts the computers to disadvantaged people who don't have access to computers of their own and sends them on their way.

Most batteries under 5kg can be recycled, including all domestic alkaline (single use) and rechargeable batteries, batteries from phones, power tools, digital

cameras, hearing aids, laptops, electric shavers, video games, toys and video cameras.

Currently less than three per cent of all batteries purchased in Australia are recycled, meaning more than 14,000 tons of batteries end up in landfill each year.

Latrobe City Council has collected 172 kgs of batteries since October, a great start but a long way off reaching international battery recovery standards.

Non-renewable battery components: lead, cadmium, mercury, lithium, manganese, nickel and zinc can be recycled indefinitely, provided they don't end up in landfill.



Vicki Needham disposing of computer battery at Traralgon Library and Service Centre.



Batteries collected at the
Morwell Transfer Station

COMMUNITY REFLECTIONS OF 2017/18

Traffic School

With a flash of neon and the roar of tyres on tarmac, birthday boy Josh Webb was transformed into a cycling speed demon in June, as he ran a red light at Latrobe City's Traffic School during his birthday bash.

"When I saw the red light I couldn't stop," the 5-year-old giggled, adding that he'd recently graduated from needing training wheels.

His mother, Lauren couldn't be more pleased with the venue, which she'd booked for the first time, utilising the new online booking system.

Previously customers wanting to book the Traffic School needed to visit one of Latrobe City's libraries or service centres, but they can now do so from the comfort of their own home.

"Booking online was very convenient and very easy," Lauren said, so much so that she has since recommended it to a friend.

"You can easily see when the venue was being used, when it's available and can plan when and how long you need it."

Keys to the facility are now kept on the premise, with customers given a temporary four digit pin which they can use to access the key safe and gain entry to the building.

"The facilities at the Traffic School are amazing and we are very lucky to have it in our region," Lauren said.

Complete with flashing traffic lights, roundabout and railway crossing, the self-contained venue is a popular place for birthdays, Christmas parties and private functions.

The facility also includes a fully equipped kitchen, rotunda and barbecue area, cubby houses, classroom (with reverse cycle air conditioner) and toilet facilities.

“The facilities at the Traffic School are amazing and we are very lucky to have it in our region”!



Lauren and Josh entering Traffic School.

Hovercraft Club

A bit of an oddity as far as vehicles go, hovercrafts can travel on land and water gliding along the surface without need for wheels or wings and unlike boats they do not displace water, making for a smoother, safer ride.

Lake Narracan's south shore has been home to the Australian Hovercraft Federation's Victorian Branch since the 1980s - or was, until late last year when, as part of the implementation of the Lake Narracan Precinct Structure Plan, the club's base was moved to make way for housing.

Australian Hovercraft Federation, Victorian Branch, member Glenn Azlin explained, "For several years we had heard rumours of a nearby major development planned for the adjacent farmland."

Council's Urban Growth team worked with all parties to arrive at a solution, which was to relocate the club to Lake Narracan's north shore.

The move included the construction of a 6x8m shed, complete with toilet and meeting space, and the relocation of the club's shipping container (used for hovercraft storage) which was given a fresh lick of paint.

After eighteen months' of weekend work on the new site, the club transformed it into the one that now feels like home.

"With road access reconstructed, and the club house (shed) built, the club now undoubtedly has world class facilities for our sport, not known to be matched anywhere," Glenn said. Although smaller, he believes the new site was far more practical for club purposes.

"The total site has become a very notable asset, already attracting the admiration of pedestrian visitors."



*A hovercraft on the banks
of Lake Narracan*

COMMUNITY REFLECTIONS OF 2017/18

Leisure Weekend

Making a splash this year, Latrobe City Council offered a free All Access Weekend at Latrobe Leisure Morwell to residents in April.

The event doubled as the official launch of the Gippsland #ThisGirlCan campaign, with VicHealth and GippsSport partnering with Latrobe Leisure to help boost health and fitness in the region.

The objective of the weekend was to provide increased community participation, social connection and ownership of local public spaces by removing potential financial barriers that may impact sections of the community from accessing those spaces.

Latrobe City resident Jade Farmer found out about the initiative while scrolling on Facebook.

"It looked like it would make a great family outing for our family of six," she said.

"I couldn't really ask for more: free healthy food and activities for everyone."

Both Jade and her 11-year-old daughter took advantage of the free activities.

"I really enjoyed the paddleboarding and would love to do it more often if I could," Jade said, kicking herself that she missed the chance to sign up for the limited free places for on-going lessons.

"We hadn't been to the Morwell pool before and wouldn't have without this all access weekend," Jade said.

"It was heaps of fun. Generous amounts of food were supplied which made it easy for our large family to stay and enjoy the day."

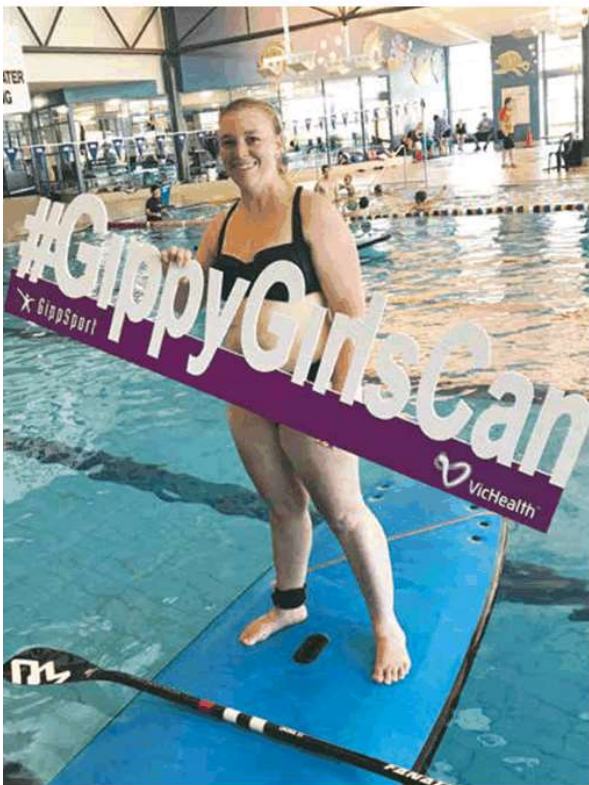
Jade said she believes women can be deterred from participating in organised sport due to time constraints and family commitments.

"There's also the fear of failure, being put off by trying something new and being self conscious," Jade said.

"I think as a rule women are their own worst enemies in many facets of life, which is disappointing because we should be our own, and other women's biggest supporters."

More than 800 people visited the centre at the weekend, showing a 127 per cent increase in attendance from the previous weekend.

"I hope they run something similar again."



Jade Farmer stands up on paddle board with #GippyGirlsCan sign.

“I think as a rule women are their own worst enemies in many facets of life which is disappointing because we should be our own, and other womens biggest supporters”



Ronda and the new door

Neighbourhood House **New Door**

Her primary form of transport for the past two years, Traralgon resident Rhonda Collins would be lost without her motorised scooter.

Rhonda suffers from arthritis in both ankles and heart trouble, often leaving her short of breath.

The scooter allows her to get out and about to go shopping, reach medical appointments and to attend classes at Traralgon Neighbourhood Learning House.

At the Kath Teychenne Centre one windy day in February, Rhonda ran into a bit of trouble when the door she was trying to go through blew back onto her.

"My scooter nearly smashed the window," she said.

Rhonda promptly reported the issue to staff in the hope of preventing any re-occurrence.

Rhonda said it was the only entrance she could navigate on her scooter, as the main entrance ramp was too narrow to complete a turn having been designed for use by wheelchairs not scooters.

"The scooter gets tight," Rhonda said, with fears she'd be looking at more damage to her scooter than just a scratch.

Following Rhonda's report, a new door closer and hold open insert were installed at the building at the shared cost of Traralgon Neighbourhood Learning House and Latrobe City Council, as owner of the building.

The new fitting allows visitors to prop the door open with the mechanism holding the door in place until it is deliberately closed, meaning those like Rhonda will not be required to leave their mobility device or wait for assistance in order to access the building in future.



Chinese New Year

As the gong sounded and the world welcomed the Year of the Dog, Chinese migrants living in Australia celebrated their cultural heritage and invited everyone along for the party.

Locally, members of the Multicultural Friendship Group, who regularly meet at the Gippsland Employment Skills and Training (GEST) Community Hub, went to the Moe Library and Service Centre community kitchen to put on a feast for the general public.

Emma Liu and Yunhong He – better known to her English speaking friends as Sky – said the group made an array of treats popular in each of their home provinces in China.

Emma said each member of the group contributed that one item, which without it “wouldn’t be Chinese New Year”. Items included dumplings, curry puffs, spring rolls and delicious Chinese doughnuts—and the aroma circulating through the library drew curious patrons into the party, adding to the community atmosphere.

“The community kitchen at Moe Library was fantastic,” Emma said, “There was plenty of room to walk around... it didn't matter if there were ‘too many cooks’.”

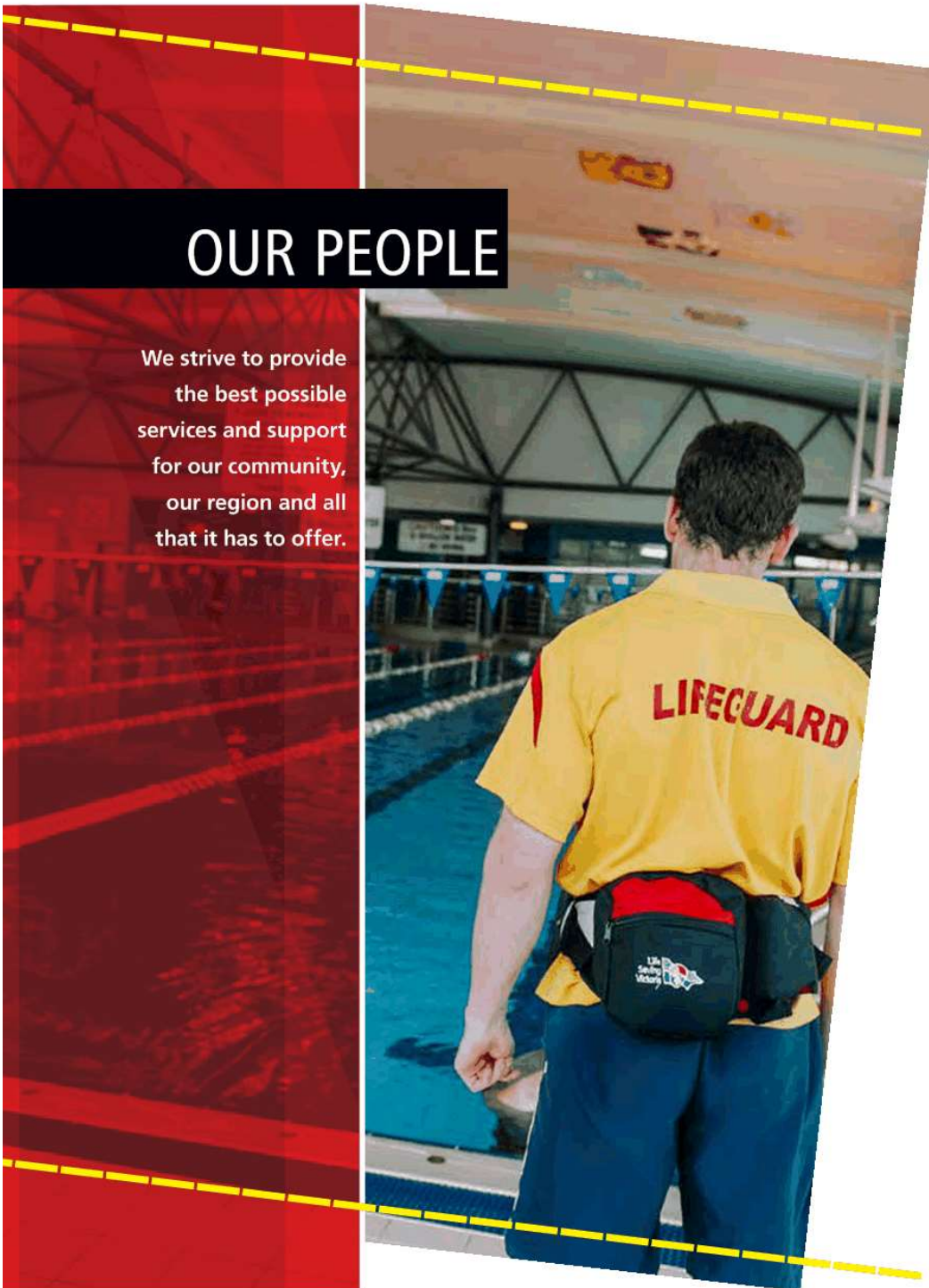
In the weeks leading up to Chinese New Year a static display about the history of Chinese New Year and the symbolic significance of the Year of the Dog was on show at the Library and the Multicultural Friendship Group held a workshop to teach members of the general public the tricks to making authentic dumplings.

Emma encourages everyone, especially those new to Australia, to volunteer in their community, as it is a great way to make friends and to support your local community.

Community Meeting rooms, including the community kitchen, are free for non-commercial use and can be booked via the Latrobe City Council website.

Left to right, Namrata Subba, Prasad Subba, Debra Carnduff, Sue Wang, Yunhong He (Sky), Emma Liu and Irme Liu





OUR PEOPLE



*Above: Morwell HQ Reception Staff
working at the front desk*

Bottom: Urban Amenities crew in the field

*Opposite: Latrobe Leisure Morwell
lifeguard on duty*

OUR PEOPLE

Organisational Structure



OFFICE EXECUTIVE

CHIEF EXECUTIVE OFFICER
Gary Van Driel



CITY DEVELOPMENT

GENERAL MANAGER
Gail Gatt
MANAGER
ARTS AND EVENTS
Michael Bloyce
MANAGER
ECONOMIC DEVELOPMENT
Bruce Connolly
MANAGER
MUNICIPAL SERVICES
Ronda Bruerton
MANAGER
PLANNING SERVICES
Jody Riordan

Latrobe City Council Corporate Headquarters in Morwell CBD.



OUR PEOPLE



CORPORATE SERVICES

- GENERAL MANAGER
Greg Drumm
- MANAGER
FINANCE
Matthew Rogers
- MANAGER
GOVERNANCE
Brett McCulley
- MANAGER
INFORMATION SERVICES
Christine Wright
- MANAGER
PEOPLE & CULTURE
Jodie Pitkin
- MANAGER
PERFORMANCE AND INNOVATION
Bill Macpherson



COMMUNITY SERVICES

- GENERAL MANAGER
Sara Rhodes-Ward
- MANAGER
AGED & DISABILITY SERVICES
Helen Taylor
- MANAGER
COMMUNICATIONS
& CUSTOMER RELATIONS
Edith Heiberg
- MANAGER
COMMUNITY DEVELOPMENT
Steve Tong
- MANAGER
FAMILY SERVICES
Kate Kerslake



INFRASTRUCTURE & RECREATION

- GENERAL MANAGER
Steven Piasente
- MANAGER
INFRASTRUCTURE
DEVELOPMENT
Kevan Delaney
- MANAGER
INFRASTRUCTURE
OPERATIONS & WASTE
Martin Teplik
- MANAGER
RECREATION
Shay Ferguson (acting)
- PROJECT DIRECTOR MAJOR
RECREATION PROJECTS
Larry Sengstock



OUR PEOPLE

Services Snapshot



Environment

- Council Emissions Reporting (Water, Electricity, Gas and Fuel)
- Approximately 400km of Rural Roadside Weed Management
- Vegetation Removal Permit Assessments
- Vehicle Emissions Offsets (Tree Plantings)
- Participate in Industry and Community Environment
- Committees and Networks
- Bushland Reserve Management
- Forestry Coup Compliance Reviews
- Environmental Education Services
- Trust for Nature Property Rate Rebates
- Biodiversity Protection Incentive Program Grants
- Community Tree Planting
- Waterway Management Services



Aged and Disability Care

- Home, Personal and Respite Care
- Home Maintenance/Minor Modifications
- Social Support Programs
- Planned Activity Groups
- We Care Program
- Meals on Wheels
- Operate Senior Citizen Centres
- Support Community Volunteering
- Health Promotion
- Disease Prevention Strategies
- Welcoming and Age Friendly Clubs/Groups
- Supporting Career's Program



Culture, Leisure and Recreation

- 3 Indoor Leisure Centres and 3 Outdoor Pools
- 14 Indoor Stadiums/Courts across 4 Facilities
- Traffic School
- Lake Narracan and Hazelwood Pondage Caravan Parks 3 Waterways
- Support Community Committees
- 60 Sporting Reserves, BMX Tracks and Skate Parks
- Maintain 510 hectares of Parks and Gardens and 90,500 square metres of Garden Beds
- Maintain 118 Playgrounds
- Operate Council Nursery
- Kerbside Spraying and Tree Planting
- Latrobe Visitor Information Centre
- Recreation Planning
- Open Space Planning



Family and Children

- Preschool and Prekinder Services across 24 Preschools
- Maternal and Child Health Services
- Best Start Program
- Preschool Field Officer Program for Children with Additional Needs
- Prevention, Early Detection and Intervention of Factors Affecting Young Children and their Families
- Operate three Long Day Care Centres
- Manage and Operate a Commonwealth Funded Family Day Care Scheme
- Immunisation Program



Running Council

- Freedom of Information Requests
- Facilitate Council Elections
- Develop Latrobe City Council Plan and Annual Report
- Organisational Business Planning and Performance Reporting
- Financial Management
- IT, Document and Mail Management and Geographic Information Services
- Human Resources Services
- Risk Management and Insurance
- Occupational Health and Safety
- Facilitate Internal Audits
- Communications and Community Engagement
- Property and Statutory Services
- Mayoral and Councillor Support
- Office of the CEO
- Recruitment
- Payroll



Community Safety

- Car Parking Services
- Animal Management Services
- Implementing Council Local Laws, Environmental Standards and Relevant Legislation
- School Crossing Supervision
- Fire Risk Prevention Property Notices
- Animal Management Including:
- Cat Cage Hire, Animal Adoptions and Micro-Chipping
- Pet Care Education and Promotion
- Unsightly/unsafe Property Inspections
- Road Safety Education and Awareness



Community Information & Development

- Operate Latrobe City Service Centres
- Provide Information on Council Services
- Recording and Processing Customer Requests
- Support the Delivery of Projects, Programs, Strategies and Action Plans
- Advocate on Behalf of the Community
- Plan and Prepare Communities for Disasters
- Provide Emergency Support to Disaster Affected Communities
- Improve Liveability for People with a Disability
- Assist with Training and Employment Opportunities for Indigenous
- Community, and Promote Social Justice and Reconciliation
- Garden Competition



Economic Development

- Investment Attraction
- Manage, Maintain and Develop the Latrobe Regional Airport
- Support Aviation Manufacturing
- Business Development, Support and Training Services
- Economic Modelling Data
- New Business Start Up and Support
- Pursue New Business Investment Employment Growth
- Investment Prospectus
- Precincts: Food Manufacturing, Aviation and Logistics
- Motorsport Complex
- Business Case Development



Infrastructure

- Design and Deliver Councils Capital Works Programs
- Research and Surveying
- Planning for Latrobe City's current and Future Civil Infrastructure Needs
- Ensure Existing Infrastructure is Maintained and Protected
- Asset Management Traffic Management
- After Hours Emergency Works
- Fixed Plant and Equipment Maintenance and Upgrades
- Maintenance of Buildings, Roads and Drainage
- Vegetation and other Council Owned Assets
- 723km of Paths Maintained Annually



Waste and Recycling

- Kerbside Rubbish Collection, Recycling and Transfer Stations
- Manage and Monitor Landfill Facilities
- Rehabilitation and After Care of Closed Landfills
- Development of New Landfill Cells
- Organic Processing
- Lead Initiatives to Divert Waste from Landfill



Tourism and Events

- Support Latrobe City and Broader Gippsland's Tourism Industry
- Operate Visitor Information Centre and Services
- Develop, Attract and Promote Events
- Support Community and Council Civic Events
- Facilitate the Community Event Grant Program



Planning and Building

- Building Permit Services
- Pool Barriers Audit Program
- Ensure Adherence to the *Building Act 1993*
- Land Use Planning and Permit Application Services
- Provide Mediation Services
- Ensure Adherence to the *Planning and Environment Act 1987*
- Land Use Planning Research, Policy and Re-zoning
- Facilitate Council and Community Initiated Planning Scheme Amendments
- Planning Scheme Reviews
- Coordination of New Infrastructure and Services to Support New Communities
- Building Audits and Education



Libraries

- Operation of Public Libraries
- Provision of Library Education Programs
- Provide resources for the community including Books, CDs and DVDs, Audio Books, Hard Copy and Online Newspapers and Magazines
- Provide Community Access to WiFi and the Internet
- Preschool StoryTime
- Your Tutor (online program)
- School Holiday Programs
- Work Experience Placements
- Author Talks and Guest Speakers/ Presentations

OUR PEOPLE

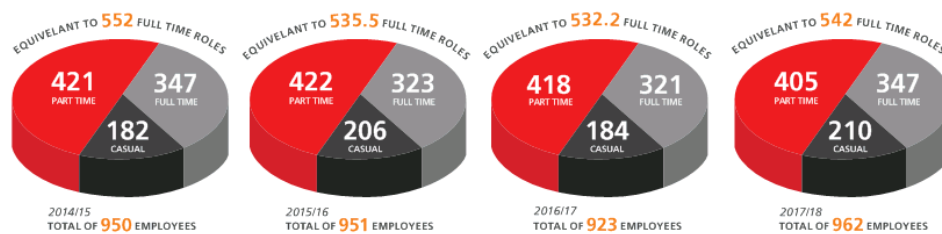
Our Employees

Latrobe City Council is committed to attracting, developing and retaining employees who have a diverse range of qualifications, abilities and a passion for delivering quality services to the community. We value and celebrate the contribution of our people, working together in a spirit of honesty, teamwork and trust.

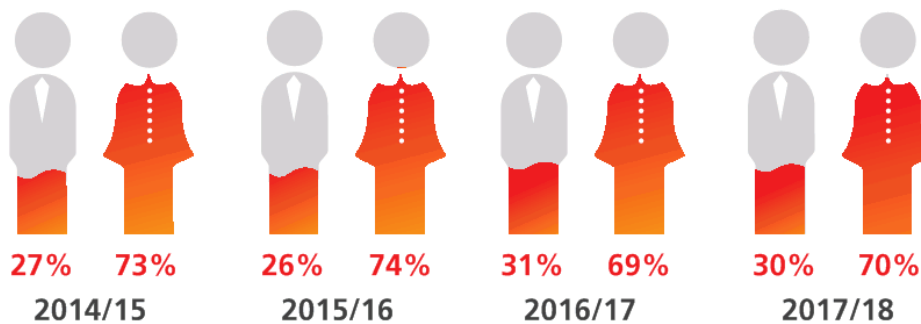
As of 30 June 2018, Latrobe City Council employed 962 people, comprising full time, part time and casual employees. The number of equivalent full time positions (FTE) is 542. The total number of employees has increased by 39 from the previous year, however, the EFT has remained relatively steady as has the level and diversity of services we provide.

WORKFORCE DETAILS

Workforce Staffing Levels



Workforce Profile

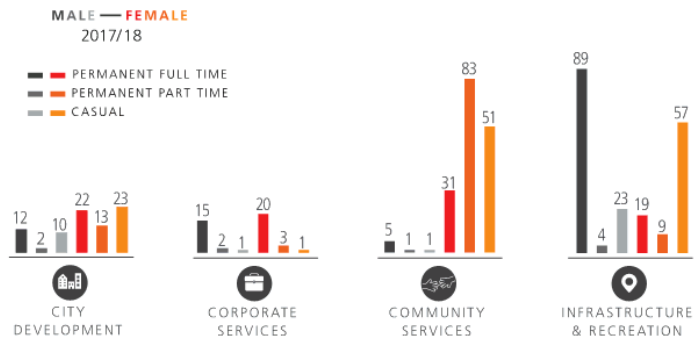


(in accordance with the Local Government Act 1989)

OUR PEOPLE

Council Staff

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender



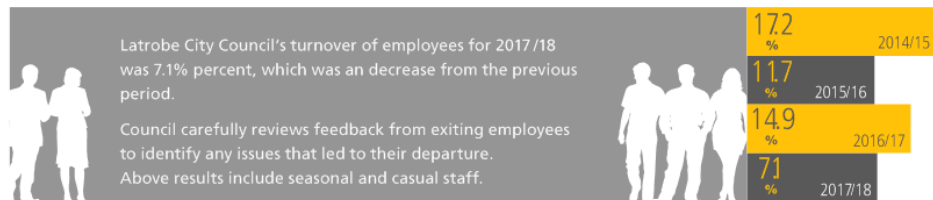
Salary Banding

| | | 2017/18 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | ALL OTHER |
|--------|---------------------|---------|----|----|----|----|----|----|---|----|-----------|
| MALE | Permanent Full Time | 0 | 4 | 50 | 6 | 25 | 21 | 17 | 6 | 4 | |
| | Permanent Part Time | 9 | 2 | 8 | 2 | 2 | 1 | 0 | 0 | 0 | |
| | Casual | 1 | 4 | 27 | 10 | 1 | 0 | 0 | 0 | 4 | |
| FEMALE | Permanent Full Time | 0 | 3 | 4 | 25 | 20 | 27 | 16 | 5 | 4 | |
| | Permanent Part Time | 79 | 17 | 18 | 56 | 8 | 8 | 1 | 0 | 20 | |
| | Casual | 4 | 26 | 75 | 23 | 2 | 0 | 0 | 0 | 38 | |

Workforce by Age



Staff Turnover





SETTING OUR DIRECTION

"In 2026 the Latrobe Valley is a liveable and sustainable region with collaborative and inclusive community leadership".

Latrobe 2026 was developed in partnership with the community and outlines the community's vision for the future development of the region, building on its strength as one of Victoria's key regional economies and its position as the commercial centre of Gippsland with a focus on education, health and community services and facilities.

Adopted in 2010, the Community Vision sets down the aspirations of the community and guides council in its activities and services, underpinning the Council Plan 2017 - 2021.

Latrobe City Council Plan 2017-2021

Responding to Latrobe 2026 Community Vision, the Council Plan defines the mission and values of the organisation and the objectives to be achieved.

LATROBE CITY COUNCIL'S MISSION

To provide the best possible facilities, services, advocacy and leadership for Latrobe City, one of Victoria's four major regional cities.

LATROBE CITY COUNCIL'S VALUES

Latrobe City Council's values describe how it is committed to achieving the Latrobe 2026 Community Vision through:

- Providing affordable people-focussed community services
- Planning strategically and acting responsibly, in the best interests of the whole community
- Accountability, transparency and honesty
- Listening to and working with the community
- Respect, fairness and equity
- Being open to and embracing new opportunities

The Councillors are united in their vision and belief that at the core of delivering on its responsibility for the wellbeing, prosperity and good governance of the municipality the efforts and resources of Council should focus on employment, economic growth, liveability and a connected Latrobe City.

Performance Indicators have been included to monitor Latrobe City Council's achievement of the Council Plan's objectives.

OBJECTIVES:

- 01 JOB CREATION & ECONOMIC SUSTAINABILITY
- 02 IMPROVE EDUCATION & TRAINING OUTCOMES
- 03 IMPROVE LIVEABILITY AND CONNECTEDNESS
- 04 IMPROVE AMENITY & ACCESSABILITY OF COUNCIL SERVICES
- 05 PROVIDE A CONNECTED, ENGAGED & SAFE COMMUNITY
- 06 ENSURE COUNCIL OPERATES OPENLY, TRANSPARENTLY & RESPONSIBLY
- 07 GROW THE CIVIC PRIDE OF OUR MUNICIPALITY

The Council Plan is accompanied by the Strategic Resource Plan and an Annual Action Plan. The Strategic Resource Plan sets out the financial and non-financial resources required to achieve the objectives of the Council Plan. The Annual Action Plan outlines the Major Initiatives and actions to be undertaken each year to deliver on the Council Plan.

For a copy of the Council Plan 2017-2021, current Budget, Strategic Resource Plan or Annual Action Plan, go to: www.latrobe.vic.gov.au or phone 1300 367 700.



Opposite: Latrobe City Council are committed to our community with 24 Council owned and managed Preschool Centres in the municipality.

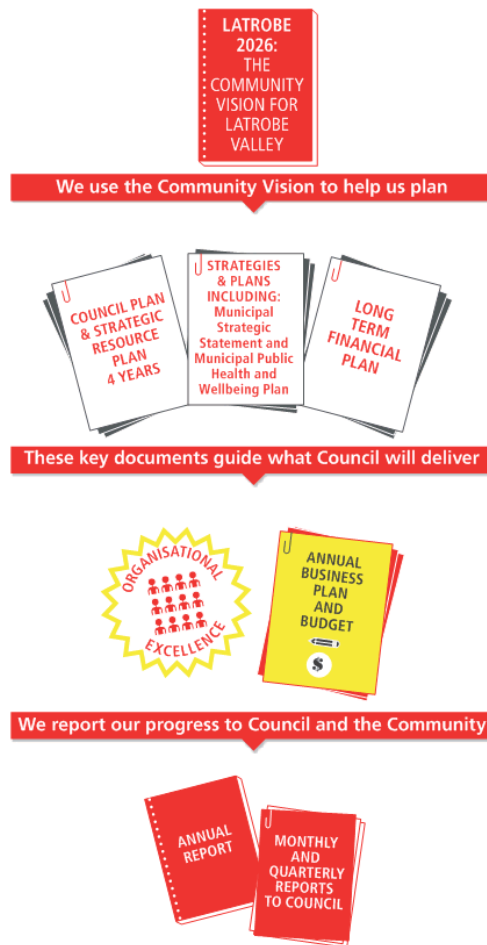
SETTING OUR DIRECTION

Planning and Reporting

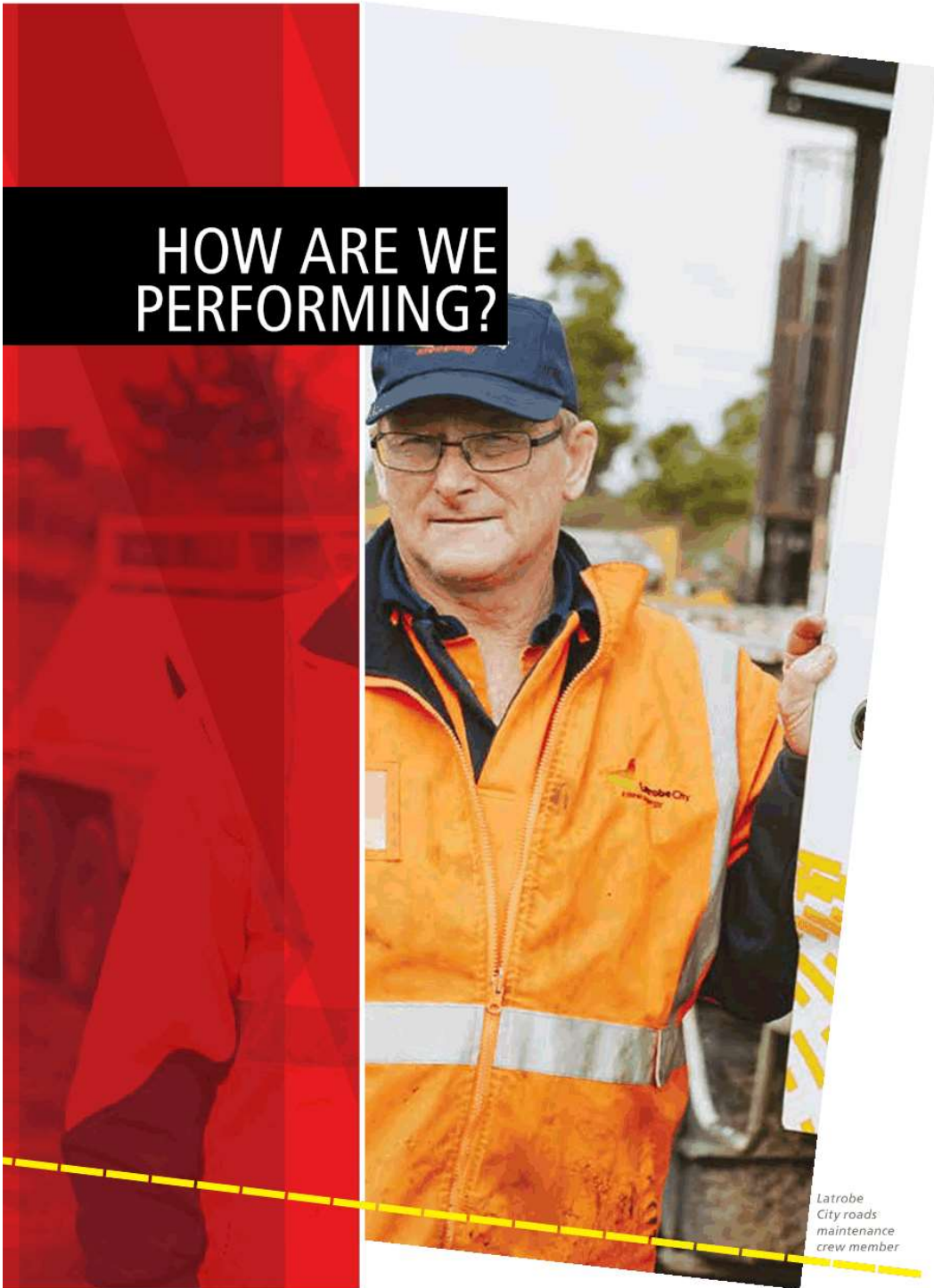
Each year, Latrobe City Council reviews its four-year business plans, setting out activities and objectives that align with the strategic directions of the Council Plan.

Delivering on the objectives of the Council Plan is measured against the achievement of identified actions and a number of performance indicators that form part of the performance reporting process. This process is outlined in the following Planning and Reporting Framework:

Setting Our Direction







**HOW ARE WE
PERFORMING?**

Latrobe
City roads
maintenance
crew member

Council Report Card

The following Report Cards have been arranged by the five themes of the Council Plan. Where available, 2016/17 results have been provided. The Local Government Performance Reporting Framework (LGPRF) results have also been included.

Measure types included in the report cards as shown below:

MAJOR INITIATIVES

Most significant Annual Actions included within the Latrobe City Council Annual Budget 2017/18

Measured by the *delivery* of listed projects

Achieved: **Green**
Part Achieved: **Amber**
Not Achieved: **Red**

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK INDICATORS

Standard performance indicators required across all Victorian Local Government Areas.

Measured by the *expected range*
Example shown below:



RESULTS AT A GLANCE



HOW ARE WE PERFORMING?

Results In Detail

MAJOR INITIATIVES

| THEME | MEASURE TYPE | ACTION | 2017/18 RESULT |
|--|------------------|---|----------------|
| Service Review Program | Major Initiative | Undertake organisational development and cultural change across the organisation so as to deliver improved: 1. Accountability, 2. Citizen Service and Responsiveness, 3. Innovation and Service Improvement | Achieved |
| In partnership with internal departments & key external agencies, develop a campaign to promote volunteering in Latrobe City | Major Initiative | Establish a centralised system for the engagement and recording of Volunteers/Labour Hire. In addition develop a policy and procedure position. Develop a centralised register of Latrobe City Council volunteers and ensure adherence to the Latrobe City Council Volunteer Policy | In progress |
| Latrobe Regional Gallery Premier Exhibitions | Major Initiative | Host two international exhibitions from Belgium and UK/ South Africa at the updated Latrobe Regional Gallery | Achieved |
| Latrobe Creative Precinct | Major Initiative | Continue to progress the Latrobe Creative Precinct project | In progress |
| Tracks Trails & Paths Strategy Progress year 3 actions | Major Initiative | Progress the recommendations of the Tracks, Trails & Paths Strategy | Achieved |
| Harold Preston Reserve Lighting | Major Initiative | Installation of lighting to two (2) pitches at Harold Preston Reserve | Achieved |
| Morwell to Traralgon Shared Pathway | Major Initiative | Construction of a shared pathway between Morwell and Traralgon | In progress |
| Installation of new street lighting | Major Initiative | Implement a Lighting Projects program | Achieved |
| Harold Preston Reserve Car Park Upgrade | Major Initiative | Upgrade of car parking and construction of a second entry/ exit point at Harold Preston Reserve | In progress |
| Develop 2018 - 2022 Municipal Public Health & Wellbeing Plan | Major Initiative | Develop the 2018 - 2022 Municipal Public Health & Wellbeing Plan | Achieved |
| As part of Future Morwell, continue to advocate for project funding on behalf of the Morwell community | Major Initiative | Future Morwell, advocacy for the Morwell community | In progress |
| Morwell Mine Fire Advocacy | Major Initiative | Continue to advocate on behalf of the community in relation to the Morwell Mine Fire | Achieved |
| Gippsland Logistics Precinct | Major Initiative | Advocate for the Gippsland Logistics Precinct | In progress |
| Latrobe Valley (LV) Leadership Program | Major Initiative | Establish the LV Leadership Program and advocate for joint funding from the Building Better Regions Fund | In progress |
| Implement the Economic Development Strategy | Major Initiative | Implement the Economic Development Strategy overarching action for Major Initiative reporting | In progress |
| Health Technology Feasibility Study | Major Initiative | Engage an industry specialist to undertake specific research to determine (and quantify) the potential to attract/establish health technology businesses | Achieved |
| Gippsland Region Motor Sports Complex Feasibility | Major Initiative | Develop a feasibility study/business case for the Gippsland Region Motor Sports Complex | In progress |
| Develop a Latrobe City Investment Prospectus | Major Initiative | Develop 'Business Cases' and accompanying industry profiles for Advanced Manufacturing and Food, Fibre & Forestry sectors | In progress |
| Implement year 1 recommendations of CT Management Fees & Charges Review | Major Initiative | Implement the recommendations of the CT Management Fees & Charges Review | Achieved |
| Morwell-Churchill Pathway | Major Initiative | Conduct a desktop analysis to investigate Year 2 Aspirational paths for the off-road path from Morwell to Churchill | Achieved |

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Latrobe City Council

HOW ARE WE PERFORMING?

| THEME | MEASURE TYPE | ACTION | 2017/18 RESULT |
|---|------------------|--|----------------|
| Yallourn North Township to George Bates Reserve Pathway | Major Initiative | Conduct a desk top analysis to investigate Year 2 Aspirational paths for the off-road path from Yallourn North Township to George Bates Reserve | Achieved |
| North Side Path - Lake Narracan | Major Initiative | Conduct a desk top analysis to investigate Year 2 Aspirational paths for the off-road path around the north side of Lake Narracan | Achieved |
| Churchill East West Link Pathway | Major Initiative | Advocate for external funding for the Churchill East West Walking Path | Achieved |
| Moe Rail Precinct Revitalisation Stage 2 | Major Initiative | Advocate for funding for the Moe Rail Precinct Revitalisation Project - Stage 2 | Achieved |
| Deliver initiatives to improve the visual attractiveness of our town entrances and signage | Major Initiative | Audit and condition assessment of town entrance signage; Concept development & Costings; Councillor briefing Implementation program developed | In progress |
| Conduct a study of traffic flow in Traralgon to assist with planning for Breed Street crossing, East West Link (Traralgon) and VicRoads Traralgon Bypass. | Major Initiative | Specification developed to assist with future planning of traffic motions; Consultant engaged to prepare report/study; Costed future plan to develop computer model to simulate current and future Traralgon traffic flows; VicRoads engaged on future funding opportunities | In progress |
| Development of a Maintenance Management System that will highlight the RMP requirements and build them into our normal operations | Major Initiative | Capture the necessary asset data to enable the development of Latrobe City Council's maintenance management system | Achieved |
| Latrobe City Synthetic Sports Hockey Field Pavilion | Major Initiative | Construct the pavilion at Latrobe City Sports Hockey Field | In progress |
| Traralgon West Sporting Complex Turf Bench & Wickets | Major Initiative | Install a turf bench and 3 synthetic wickets at Traralgon West Sporting Complex | Achieved |
| Traralgon Sports Stadium | Major Initiative | Progress the Catterick Crescent Sporting Precinct master plan; Redevelop of the Traralgon Sports Stadium | In progress |
| Gippsland Regional Aquatic Centre | Major Initiative | Progress Council's decision to the delivery the Gippsland Regional Aquatic Centre | In progress |
| Diversity in Recruitment | Major Initiative | Implementation of an inclusive employment program to ensure our work force demographic reflects that of the community in which we operate | Achieved |
| Latrobe City Council Internship Program | Major Initiative | Deliver the Latrobe City Council internship program through hosting intern Liam Eades from July 2017 to assist with developing and administering Council's grants programs | Achieved |
| Moe Synthetic Bowling Green | Major Initiative | Administer funding in relation to the installation of a synthetic green at the Moe Bowling Green | Achieved |
| Play Space Program | Major Initiative | Progress the recommendations of the Play Space Implementation Plan | Achieved |
| Construction of a local level play space at Maryvale Reserve to provide for residents of Heritage Boulevard | Major Initiative | Construction of a local level play space at Maryvale Reserve to provide for residents of Heritage Boulevard | Achieved |
| Engage the user groups to develop options for future investment at the Latrobe Leisure Morwell facilities | Major Initiative | User groups engaged to develop Recreation Needs Assessment Options for future investment at Latrobe Leisure Morwell Develop Report to council for consideration of options. Endorsed option to be incorporated into the Master Plan | In progress |
| Lake Narracan Precinct Structure Plan | Major Initiative | Develop an indicative lot layout for small lots along Thompsons Road and Old Sale Road within the Lake Narracan Precinct Structure Plan | In progress |
| Live Work Latrobe Stage 3 | Major Initiative | Deliver Live Work Latrobe Stage 2. Complete Planning Scheme Amendment to implement priority actions from Live Work Latrobe Stage 3. (Note: the action is named as Stage 2 in the budget document) | In progress |
| Regional City Employment Precinct Masterplan | Major Initiative | Preparation of the Employment Precinct Corridor Masterplan between Morwell and Traralgon (stage 1) Morwell Traralgon Growth Corridor | In progress |

HOW ARE WE PERFORMING?

Results In Detail

(CONTINUED)

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK INDICATORS

| KPI | 14/15 | 15/16 | 16/17 | 17/18 |
|---|---------|---------|---------|---------|
| AF2 – Health inspections of aquatic facilities | 2.0 | 1.0 | 2.3 | 1.8 |
| AF3 – Reportable safety incidents at aquatic facilities | 0.0 | 0.0 | 0.0 | 0.0 |
| AF4 – Cost of indoor aquatic facilities | 2.5 | 2.3 | 2.2 | 2.7 |
| AF5 – Cost of outdoor aquatic facilities | 9.7 | 10.9 | 10.7 | 9.0 |
| AF6 – Utilisation of aquatic facilities | 5.1 | 5.2 | 5.2 | 4.9 |
| AM1 – Time taken to action animal management requests | 0.0 | 2.1 | 2.0 | 2.1 |
| AM2 – Animals reclaimed | 0.36 | 0.36 | 0.37 | 0.31 |
| AM3 – Cost of animal management service | 43.2 | 47.5 | 41.1 | 30.5 |
| AM4 – Animal management prosecutions | 4.00 | 0.00 | 1.00 | 23.00 |
| C1 – Expenses per head of municipal population | 1593.6 | 1616.8 | 1563.3 | 1890.5 |
| C2 – Infrastructure per head of municipal population | 12685.1 | 12914.8 | 12929.1 | 13086.3 |
| C3 – Population density per length of road | 46.7 | 46.5 | 45.5 | 45.8 |
| C4 – Own-source revenue per head of municipal population | 1230.9 | 1274.3 | 1350.3 | 1288.3 |
| C5 – Recurrent grants per head of municipal population | 423.8 | 284.6 | 428.8 | 377.7 |
| C6 – Relative Socio-Economic Disadvantage | 1.0 | 1.0 | 1.0 | 1.0 |
| E1 – Average residential rate per residential property assessment | 1494.4 | 1534.6 | 1582.0 | 1607.5 |
| E2 – Expenses per property assessment | 3126.6 | 3118.4 | 3037.7 | 3689.8 |
| E3 – Resignations and terminations compared to average staff | 11.0 | 15.0 | 10.0 | 10.0 |
| FS1 – Time taken to action food complaints | 0 | 1.1 | 1.2 | 1.8 |
| FS2 – Food safety assessments | 95.1 | 86.4 | 97.5 | 83.1 |
| FS3 – Cost of food safety service | 512.1 | 533.9 | 331.3 | 335.2 |
| FS4 – Critical and major non-compliance outcome notifications | 90.8 | 82.5 | 79.2 | 83.4 |
| G1 – Council decisions made at meetings closed to the public | 47.1 | 25.6 | 17.4 | 20.8 |
| G2 – Satisfaction with community consultation and engagement | 52 | 48 | 54 | 57 |
| G3 – Councillor attendance at council meetings | 96.1 | 93.7 | 95.4 | 97.0 |
| G4 – Cost of governance | 42232.2 | 41483.5 | 38508.6 | 39164.3 |
| G5 – Satisfaction with council decisions | 49 | 47 | 51 | 52 |
| L1 – Current assets compared to current liabilities | 208.9 | 271.2 | 302.1 | 321.7 |
| L2 – Unrestricted cash compared to current liabilities | 96.9 | 147.2 | -55.1 | -4.6 |
| LB1 – Library collection usage | 3.0 | 2.8 | 2.6 | 2.5 |

HOW ARE WE PERFORMING?

| KPI | 14/15 | 15/16 | 16/17 | 17/18 |
|---|--------|--------|--------|--------|
| LB2 – Standard of library collection | 53.7 | 53.4 | 55.7 | 48.4 |
| LB3 – Cost of library service | 9.6 | 9.8 | 7.3 | 8.7 |
| LB4 – Active library members | 16.1 | 15.8 | 11.6 | 10.3 |
| MC1 – Participation in first MCH home visit | 110.4 | 109.8 | 109.6 | 96.5 |
| MC2 – Infant enrolments in the MCH service | 110.6 | 100.0 | 97.4 | 100.7 |
| MC3 – Cost of the MCH service | 0.0 | 79.8 | 72.0 | 77.4 |
| MC4 – Participation in the MCH service | 73.7 | 74.9 | 76.3 | 72.6 |
| MC5 – Participation in the MCH service by Aboriginal children | 69.0 | 71.4 | 68.2 | 70.9 |
| O1 – Asset renewal compared to depreciation | 79.9 | 64.0 | 71.3 | 72.5 |
| O2 – Loans and borrowings compared to rates | 29.3 | 24.9 | 21.5 | 22.1 |
| O3 – Loans and borrowings repayments compared to rates | 17.0 | 9.3 | 3.7 | 3.5 |
| O4 – Non-current liabilities compared to own source revenue | 36.9 | 42.9 | 30.3 | 39.0 |
| OP1 – Adjusted underlying surplus (or deficit) | 0.06 | -0.04 | 0.13 | -0.11 |
| R1 – Sealed local road requests | 29.3 | 32.2 | 30.2 | 33.3 |
| R2 – Sealed local roads maintained to condition standards | 99.7 | 99.6 | 99.3 | 99.9 |
| R3 – Cost of sealed local road reconstruction | 112.6 | 111.1 | 185.6 | 153.4 |
| R4 – Cost of sealed local road resealing | 14.1 | 9.9 | 9.8 | 10.4 |
| R5 – Satisfaction with sealed local roads | 52 | 50 | 61 | 56 |
| S1 – Rates compared to adjusted underlying revenue | 55.9 | 64.3 | 56.3 | 59.4 |
| S2 – Rates compared to property values | 0.7 | 0.72 | 0.70 | 0.70 |
| SP1 – Time taken to decide planning applications | 74 | 82 | 73 | 52 |
| SP2 – Planning applications decided within required time frames | 89 | 93 | 92 | 95 |
| SP3 – Cost of statutory planning service | 2196.8 | 2488.3 | 3023.3 | 2469.2 |
| SP4 – Council planning decisions upheld at VCAT | 80.0 | 66.7 | 57.1 | 60.0 |
| WC1 – Kerbside bin collection requests | 114.6 | 120.2 | 146.4 | 153.5 |
| WC2 – Kerbside collection bins missed | 3.0 | 3.1 | 3.4 | 3.2 |
| WC3 – Cost of kerbside garbage bin collection service | 100.4 | 98.0 | 99.6 | 101.3 |
| WC4 – Cost of kerbside recyclables collection service | 26.4 | 22.9 | 24.3 | 24.7 |
| WC5 – Kerbside collection waste diverted from landfill | 55.0 | 52.1 | 53.2 | 54.0 |

HOW ARE WE PERFORMING?

Results In Detail*(CONTINUED)***CAPITAL WORKS HIGHLIGHTS**

| PROJECT | 17/18 EXPENDITURE \$ |
|---|----------------------|
| Local Roads Reseal Prep Program | 2,413,157 |
| Hyland Hwy Landfill -Cell 5 Construction | 2,028,902 |
| Building Renewal program | 1,495,907 |
| Footpath Rehabilitation Program | 1,021,036 |
| Fleet Replacement Program | 939,199 |
| Gravel Road Resheets Program | 894,342 |
| Rural Gravel Road Sealing Program | 851,214 |
| Nation Building Blackspot Program | 825,509 |
| Kerb and Channel Replacement Program | 771,190 |
| Pavilion construction at Latrobe City Sports Field Churchill | 718,647 |
| Latrobe Leisure Renewal Program | 706,916 |
| Plant Replacement Program | 675,767 |
| Playground Equipment Renewal Program | 402,521 |
| I.T Equipment Purchases | 319,724 |
| Morwell to Traralgon Shared Pathway | 281,722 |
| Latrobe Regional Gallery - Refurbishment & Lighting Upgrade | 267,327 |
| Harold Preston carpark | 248,510 |
| Bridge and Major Culvert works | 232,447 |
| New Footpaths to Link Existing Footpath Networks | 203,338 |
| Footpath Construction Track and Trails Program | 175,003 |
| Signalised Intersection-Maffra/Marshalls Rd | 151,025 |
| Kitchen Renewal Program | 120,192 |
| Traralgon Court House Heritage Works | 118,712 |
| Morwell Recreation Reserve | 112,287 |
| Latrobe City Sports and Entertainment Stadium - renewal works | 105,672 |

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Latrobe City Council



Traralgon Tennis Centre at one of its early ITF Junior Internationals compared to the newly resurfaced tennis courts completed by Latrobe City Council in May 2018

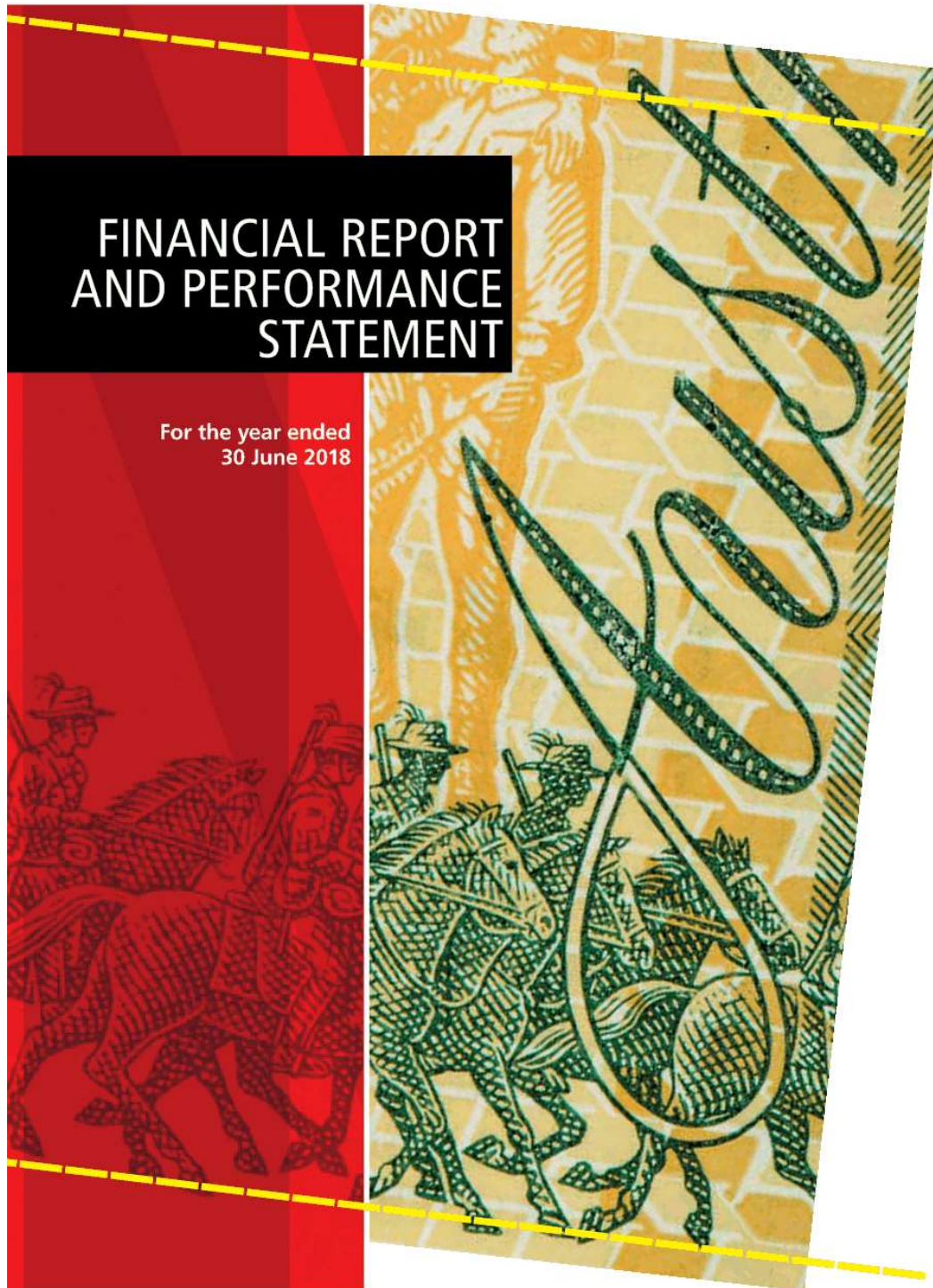


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FINANCIAL REPORT

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Principal Accounting Officer



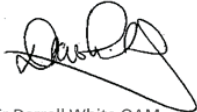
Matthew Rogers, CPA
Dated: 03 September 2018

In our opinion the accompanying financial statements present fairly the financial transactions of Latrobe City Council for the year ended 30 June 2018 and the financial position of Council as at the 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 and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Councillor



Cr Darrell White OAM
Dated: 03 September 2018

Councillor



Cr Alan McFarlane
Dated: 03 September 2018

Chief Executive Officer



Gary Van Driel
Dated: 03 September 2018

Auditor General's Report

ON THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

**Independent Auditor's Report***To the Councillors of Latrobe City Council*

| | |
|---|---|
| Opinion | <p>I have audited the financial report of Latrobe City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the financial report | <p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |

FINANCIAL REPORT

AUDITOR GENERAL'S REPORT (CONTINUED)

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
5 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2018

| | NOTE | 2018 \$'000s | 2017 \$'000s |
|--|------|------------------|------------------|
| INCOME | | | |
| Rates and charges | 2.1 | 75,350 | 75,121 |
| Statutory fees and fines | 2.2 | 2,303 | 2,158 |
| User fees | 2.3 | 13,877 | 14,755 |
| Grants - operating | 2.4 | 28,338 | 30,683 |
| Grants - capital | 2.4 | 7,530 | 7,993 |
| Contributions - monetary | 2.5 | 512 | 410 |
| Contributions - non monetary | 2.5 | 6,133 | 8,647 |
| Other income | 2.6 | 4,589 | 5,607 |
| Total income | | 138,632 | 145,374 |
| EXPENSES | | | |
| Employee costs | 3.1 | (56,253) | (51,845) |
| Materials and services | 3.2 | (37,660) | (33,750) |
| Depreciation and amortisation | 3.3 | (25,732) | (25,288) |
| Bad and doubtful debts | 3.4 | (21) | - |
| Borrowing costs | 3.5 | (741) | (884) |
| Net loss on disposal of property, infrastructure, plant and equipment | 3.6 | (7,532) | (304) |
| Other expenses | 3.7 | (4,133) | (3,958) |
| Landfill rehabilitation provision movement | 4.5 | (8,982) | 2,620 |
| Total expenses | | (141,054) | (113,409) |
| Deficit for the year | | (2,422) | 31,965 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increment/(decrement) | 8.1 | (26,145) | (30) |
| Total comprehensive result | | (28,567) | 31,935 |

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

FINANCIAL REPORT

Balance Sheet
As at 30 June 2018

| | NOTE | 2018 \$'000s | 2017 \$'000s |
|--|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4.1 | 23,459 | 9,071 |
| Trade and other receivables | 4.1 | 8,441 | 7,663 |
| Other financial assets | 4.1 | 64,518 | 71,518 |
| Non-current assets classified as held for sale | 5.1 | 48 | 385 |
| Other assets | 4.2 | 2,961 | 2,562 |
| Total current assets | | 99,427 | 91,199 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 4.1 | 18 | 16 |
| Property, infrastructure, plant and equipment | 5.2 | 1,150,138 | 1,178,325 |
| Other financial assets | 4.1 | 2 | 2 |
| Intangible assets | 4.2 | 124 | 798 |
| Total non-current assets | | 1,150,282 | 1,179,141 |
| TOTAL ASSETS | | 1,249,709 | 1,270,340 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 4.3 | 8,010 | 9,222 |
| Trust funds and deposits | 4.3 | 2,114 | 2,349 |
| Provisions | 4.5 | 19,209 | 16,749 |
| Interest-bearing loans and borrowings | 4.4 | 1,573 | 1,869 |
| Total current liabilities | | 30,906 | 30,189 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 4.5 | 22,433 | 15,994 |
| Interest-bearing loans and borrowings | 4.4 | 15,061 | 14,281 |
| Total non-current liabilities | | 37,494 | 30,275 |
| TOTAL LIABILITIES | | 68,400 | 60,464 |
| NET ASSETS | | 1,181,309 | 1,209,876 |
| EQUITY | | | |
| Accumulated surplus | | 697,515 | 700,039 |
| Reserves | 8.1 | 483,794 | 509,837 |
| TOTAL EQUITY | | 1,181,309 | 1,209,876 |

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

Statement of Changes in Equity

For the Year Ended 30 June 2018

| | NOTE | TOTAL \$'000s | ACCUMULATED SURPLUS \$'000s | REVALUATION RESERVE \$'000s | OTHER RESERVES \$'000s |
|---|------|------------------|-----------------------------------|-----------------------------------|------------------------------|
| 2018 | | | | | |
| Balance at beginning of the financial year | | 1,209,879 | 700,039 | 506,535 | 3,302 |
| Deficit for the year | | (2,422) | (2,422) | | |
| Net asset revaluation decrement | 8.1 | (26,145) | | (26,145) | |
| Transfers to other reserves | 8.1 | - | (153) | - | 153 |
| Transfers from other reserves | 8.1 | - | 51 | - | (51) |
| Balance at end of the financial year | | 1,181,309 | 697,515 | 480,390 | 3,404 |
| 2017 | | | | | |
| Balance at beginning of the financial year | | 1,179,506 | 669,939 | 506,565 | 3,002 |
| Prior year correction of errors | | | | | |
| Found assets | 8.4 | 4,446 | 4,446 | | |
| Assets written off | 8.4 | (6,011) | (6,011) | | |
| Restated opening equity | | 1,177,941 | 668,374 | 506,565 | 3,002 |
| Surplus for the year | | 31,965 | 31,965 | - | - |
| Net asset revaluation increment | 8.1 | (30) | - | (30) | - |
| Transfers to other reserves | 8.1 | - | (311) | - | 311 |
| Transfers from other reserves | 8.1 | - | 11 | - | (11) |
| Balance at end of the financial year | | 1,209,876 | 700,039 | 506,535 | 3,302 |

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

FINANCIAL REPORT

Statement of Cash Flows
For the Year Ended 30 June 2018

| | NOTE | 2018 \$'000s | 2017 \$'000s |
|---|------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Rates and charges | | 75,636 | 75,398 |
| Statutory fees and fines | | 2,271 | 2,160 |
| User fees | | 14,221 | 15,670 |
| Grants - operating | | 27,717 | 30,683 |
| Grants - capital | | 6,389 | 7,988 |
| Contributions - monetary | | 345 | 463 |
| Interest received | | 2,366 | 2,066 |
| Trust funds and deposits taken | | 14,789 | 15,585 |
| Other receipts | | 2,715 | 3,419 |
| Net GST refund/ (payment) | | 3,119 | 2,190 |
| Employee costs | | (55,420) | (52,166) |
| Materials and services | | (42,239) | (37,977) |
| Trust funds and deposits repaid | | (15,025) | (15,968) |
| Other payments | | (3,262) | (3,439) |
| Net cash provided by operating activities | | 33,622 | 46,072 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for property, infrastructure, plant and equipment | 5.2 | (26,878) | (24,937) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 905 | 656 |
| Payments for investments | | (100,584) | (157,518) |
| Proceeds from sale of investments | | 107,584 | 138,884 |
| Net cash used in investing activities | | (18,973) | (42,915) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Finance costs | | (745) | (883) |
| Proceeds from borrowings | | 2,350 | - |
| Repayment of borrowings | | (1,866) | (1,883) |
| Net cash used in financing activities | | (261) | (2,766) |
| Net increase/ (decrease) in cash and cash equivalents | | 14,388 | 391 |
| Cash and cash equivalents at the beginning of the financial year | | 9,071 | 8,680 |
| Cash and cash equivalents at the end of the financial year | | 23,459 | 9,071 |
| Financing arrangements | 4.6 | | |
| Restrictions on cash assets | 4.1 | | |

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

Statement of Capital Works For the Year Ended 30 June 2018

| | NOTE | 2018 \$'000s | 2017 \$'000s |
|--|------------|-----------------|-----------------|
| PROPERTY | | | |
| Land | | 665 | - |
| Total land | | 665 | - |
| Buildings | | 6,036 | 6,576 |
| Heritage buildings | | 119 | 5 |
| Total buildings | | 6,155 | 6,581 |
| Total property | | 6,820 | 6,581 |
| PLANT AND EQUIPMENT | | | |
| Plant, machinery and equipment | | 1,838 | 1,460 |
| Fixtures, fittings and furniture | | 11 | 37 |
| Computers and telecommunications | | 273 | 219 |
| Art collection | | 12 | 19 |
| Total plant and equipment | | 2,134 | 1,735 |
| INFRASTRUCTURE | | | |
| Roads | | 11,590 | 12,350 |
| Bridges | | 294 | 451 |
| Footpaths and cycleways | | 2,016 | 1,832 |
| Drainage | | 222 | 1,650 |
| Recreational, leisure and community facilities | | - | - |
| Waste management | | 2,029 | 1,033 |
| Parks, open space and streetscapes | | 458 | 381 |
| Off street car parks | | 319 | 196 |
| Other infrastructure | | - | 7 |
| Total infrastructure | | 16,928 | 17,900 |
| Total capital works expenditure | | 25,882 | 26,216 |
| Represented by: | | | |
| New asset expenditure | | 4,804 | 3,463 |
| Asset renewal expenditure | | 18,176 | 17,396 |
| Asset expansion expenditure | | 38 | 902 |
| Asset upgrade expenditure | | 2,864 | 4,455 |
| Total capital works expenditure | 1.2 | 25,882 | 26,216 |

The above statement of capital works should be read with the accompanying notes.

FINANCIAL REPORT

Notes to the Financial Report
For the year ended 30 June 2018**OVERVIEW****Introduction**

Latrobe City Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. The Council's main office is located at 141 Commercial Road Morwell 3840.

Statement of compliance

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

SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

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

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

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

- The fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2)
- The determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 5.2)
- The determination of employee provisions (refer to note 4.5)
- The determination of landfill rehabilitation provisions (refer to note 4.5)

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

**NOTE 1
PERFORMANCE AGAINST BUDGET**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 19 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 INCOME AND EXPENDITURE

| | BUDGET 2018 \$'000 | ACTUAL 2018 \$'000 | VARIANCE 2018 \$'000 | VARIANCE 2018 % | REF |
|---|--------------------------|--------------------------|----------------------------|-----------------------|-----|
| INCOME | | | | | |
| Rates and charges | 76,869 | 75,350 | (1,519) | (2%) | 1 |
| Statutory fees and fines | 2,184 | 2,303 | 119 | 5% | |
| User fees | 14,566 | 13,877 | (689) | (5%) | 2 |
| Grants - operating | 22,889 | 28,338 | 5,449 | 24% | 3 |
| Grants - capital | 5,307 | 7,530 | 2,223 | 42% | 4 |
| Contributions - monetary | 510 | 512 | 2 | 0% | |
| Contributions - non monetary | 3,000 | 6,133 | 3,133 | 104% | 5 |
| Other income | 3,688 | 4,589 | 901 | 24% | 6 |
| Total income | 129,013 | 138,632 | 9,619 | 7% | |
| EXPENSES | | | | | |
| Employee costs | 55,453 | 56,253 | (800) | (1%) | 7 |
| Materials and services | 34,500 | 37,660 | (3,160) | (9%) | 8 |
| Bad and doubtful debts | 12 | 21 | (9) | (75%) | 9 |
| Depreciation and amortisation | 24,969 | 25,732 | (763) | (3%) | 10 |
| Borrowing costs | 742 | 741 | 1 | 0% | |
| Net loss on disposal of property, infrastructure, plant and equipment | - | 7,532 | (7,532) | 100% | 11 |
| Landfill provision movement | - | 8,982 | (8,982) | 100% | 12 |
| Other expenses | 3,249 | 4,133 | (884) | (27%) | 13 |
| Total expenses | 118,925 | 141,054 | (22,129) | (19%) | |
| SURPLUS/ (DEFICIT) FOR THE YEAR | 10,088 | (2,422) | (12,510) | (124%) | |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: PERFORMANCE AGAINST BUDGET (CONTINUED)

(i) Explanation of material variations - Income and Expenditure

| REF | ITEM | EXPLANATION |
|-----|-------------------------------|---|
| 1 | Rates and Charges | Outcome: Unfavourable \$1.52 million (2%) Lower than expected payments in lieu of rates made under the Electricity Act as a result of the closure of the Hazelwood Power Station. Due to uncertainty when the budget was prepared these funds were not committed to any expenditure items. |
| 2 | User fees | Outcome: Unfavourable \$0.69 million (5%) Lower than expected Arts Exhibition fees (\$0.36M), leisure fees (\$0.26M), third party home care services (\$0.23M) and Child Care fees (\$0.13M). These variances have been partially offset by favourable landfill gate fees (\$0.37M). |
| 3 | Grants - operating | Outcome: Favourable \$5.45 million (24%) Higher than expected Grants Commission funding (\$0.90M) due to funding levels being higher than expected and the amount advanced in 2018 (\$6.2M) exceeding the amount advanced in 2017(\$5.9M). Additional funding was also received for a number of projects and programs including Pre School programs (\$0.99M), Regional Sporting Infrastructure (LVA) projects (\$0.75M), Family Health Programs (\$0.63M), major LVA funded events (\$0.41M) and Flexible Support packages (\$0.25M). |
| 4 | Grants - capital | Outcome: Favourable \$2.22 million (42%) The additional capital grant funding is mainly for Latrobe Valley Sports and Community Initiative projects (\$2.8M), Roads to Recovery Program (\$1.2M) and Nation Building Blackspot Program (\$0.8M). These variances have been partially offset by Morwell to Traralgon shared pathway funding (\$2.7M) which is now expected to be received in the 2018/19 financial year. |
| 5 | Contributions - non monetary | Outcome: Favourable \$3.13 million (104%) Construction of infrastructure assets and provision of land for open space by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance at which point these assets are brought to account as revenue and capitalised. Higher than expected contribution of land and infrastructure assets have been received in 2017/18 mainly due to the Council budget for this item being conservative to reflect the uncertainty of timing of developers requesting a Statement of Compliance for their subdivisions. |
| 6 | Other income | Outcome: Favourable \$0.90 million (24%) Higher than expected interest on investments and outstanding property rates & charges balances (\$0.5M) together with unbudgeted insurance claims and other contributions and reimbursements received. |
| 7 | Employee costs | Outcome: Unfavourable \$0.80 million (1%) The additional expenditure is due to increased salaries as a result of funding carried forward and additional funding to provide services mainly in Family Services, Community Resilience and project management for the Latrobe Valley Sports and Community Initiative projects. |
| 8 | Materials and services | Outcome: Unfavourable \$3.16 million (9%) The additional expenditure is mainly due to expenditure budgeted as capital that has subsequently been expensed as per Council policy e.g. Latrobe Creative Precinct and Gippsland Regional Aquatic Centre pre-detailed design costs. In addition there has been expenditure relating to unbudgeted government grants e.g. major events funded by the Latrobe Valley Authority and other contributions. |
| 9 | Bad and doubtful debts | Outcome: Unfavourable \$0.01 million (75%) Small value variance mainly due to a number of write-offs of unrecoverable Library lost book charges. |
| 10 | Depreciation and amortisation | Outcome: Unfavourable \$0.76 million (3%) The unfavourable variance is mainly due to higher than anticipated depreciation on roads as a result of higher than anticipated developer contributed assets in 2016/17 and prior revaluations that were not factored into the budget calculations. |

(i) Explanation of material variations - Income and Expenditure (continued)

| REF | ITEM | EXPLANATION |
|-----|---|--|
| 11 | Net loss on disposal of property, infrastructure, plant and equipment | Outcome: Unfavourable \$ 7.53 million (100%) Disposals are over budget due mainly to a new process that was implemented in the 2017/18 year to process disposals of assets renewed as part of the capital works program. This process was not factored in the budget process and involves the disposal of the residual value of assets that have been replaced with a renewed asset and relates mainly to asset classes of infrastructure (\$4.1M) and buildings (\$3.6M). |
| 12 | Landfill provision movement | Outcome: Unfavourable \$ 8.98 million (100%) The final designs and tender processes undertaken for the old Moe and Morwell landfill sites has resulted in a large increase required in the provisions for these sites. These provisions are based on current approved designs, however Council is currently exploring alternatives to reduce these costs subject to Environment Protection Agency Victoria approval. |
| 13 | Other expenses | Outcome: Unfavourable \$ 0.88 million (27%) The unfavourable balance is mainly a result of opening work in progress written off / expensed (\$0.89M) and higher than expected levies associated with higher than anticipated waste to landfill (\$0.20M). |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: PERFORMANCE AGAINST BUDGET (CONTINUED)

1.2 Capital Works

| | BUDGET 2018 \$'000s | ACTUAL 2018 \$'000s | VARIANCE 2018 \$'000s | VARIANCE 2018 % | REF |
|--|---------------------------|---------------------------|-----------------------------|-----------------------|----------|
| PROPERTY | | | | | |
| Land | - | 665 | (665) | 100% | |
| Total Land | - | 665 | (665) | 100% | 1 |
| Buildings | 7,520 | 6,036 | 1,484 | 20% | |
| Heritage buildings | 196 | 119 | 77 | 39% | |
| Total buildings | 7,716 | 6,155 | 1,561 | 20% | 2 |
| Total property | 7,716 | 6,820 | 896 | 12% | |
| PLANT AND EQUIPMENT | | | | | |
| Plant, machinery and equipment | 1,652 | 1,838 | (186) | (11%) | 3 |
| Fixtures, fittings and furniture | 10 | 11 | (1) | (10%) | 4 |
| Computers and telecommunications | 469 | 273 | 196 | 42% | 5 |
| Art collection | 15 | 12 | 3 | 20% | 6 |
| Total plant and equipment | 2,146 | 2,134 | 12 | 1% | |
| INFRASTRUCTURE | | | | | |
| Roads | 10,415 | 11,590 | (1,175) | (11%) | 7 |
| Bridges | 940 | 294 | 646 | 69% | 8 |
| Footpaths and cycleways | 5,000 | 2,016 | 2,984 | 60% | 9 |
| Drainage | 725 | 222 | 503 | 69% | 10 |
| Waste management | 900 | 2,029 | (1,129) | (125%) | 11 |
| Parks, open space and streetscapes | 610 | 458 | 152 | 25% | 12 |
| Off street car parks | 125 | 319 | (194) | (155%) | 13 |
| Total infrastructure | 18,715 | 16,928 | 1,787 | 10% | |
| Total capital works expenditure | 28,576 | 25,882 | 2,694 | 9% | |
| Represented by: | | | | | |
| New asset expenditure | 7,432 | 4,804 | 2,628 | 35% | 14 |
| Asset renewal expenditure | 18,687 | 18,176 | 511 | 3% | 15 |
| Asset expansion expenditure | 525 | 38 | 487 | 93% | 16 |
| Asset upgrade expenditure | 1,932 | 2,864 | (932) | (48%) | 17 |
| Total capital works expenditure | 28,576 | 25,882 | 2,694 | 9% | |

(i) Explanation of Material Variations – Capital Works

| REF | ITEM | EXPLANATION |
|-----|----------------------------------|--|
| 1 | Land | Outcome: Overspend \$0.67 million (100%) This expenditure relates to the land purchased relating to the Latrobe City Sports and Entertainment Stadium. This purchase was not included in the adopted budget as it was expected to be finalised in 2016/17 but carried over to 2017/18 due to the final settlement date being in July 2017. |
| 2 | Buildings | Outcome: Underspend \$1.56 million (20%) A number of projects will carry over to the 2018/19 financial year most notably the Latrobe Creative Precinct design; the Pavilion construction at Latrobe City Sports Field Churchill and the Latrobe Leisure Stadiums Evaporative Cooling Project. These underspends have been partially offset by the purchase of the Latrobe City Sports and Entertainment Stadium. |
| 3 | Plant, machinery and equipment | Outcome: Overspend \$0.19 million (11%) Overspend due to depot vehicle replacements carried forward from the prior year. |
| 4 | Fixtures, fittings and furniture | Outcome: Overspend \$0.00 million (10%) Minor additional expenditure funded from operational budgets. |
| 5 | Computers and telecommunications | Outcome: Underspend \$0.19 million (42%) A number of items purchased were under the capitalisation thresholds of Council and were expensed to the Income Statement, remaining funds are to be carried forward to meet future requirements. |
| 6 | Art collection | Outcome: Underspend \$0.00 million (20%) Minor underspend in acquisition of artwork. |
| 7 | Roads | Outcome: Overspend \$1.18 million (11%) Nation Building Blackspot Program works incurred in the current year included works delayed from the prior year. Additional costs incurred in reseal prep program to assist in preparation for 2018/19 program. |
| 8 | Bridges | Outcome: Underspend \$0.65 million (69%) Downies Lane bridge works delayed to enable a full investigation of alternatives and the required scope of works. |
| 9 | Footpaths and cycleways | Outcome: Underspend \$2.98 million (60%) Underspend mainly associated with the Morwell to Traralgon Shared Pathway which was anticipated to be fully completed in the financial year, however delays incurred will mean that the project will continue into 2018/19. |
| 10 | Drainage | Outcome: Underspend \$0.5 million (69%) A larger portion of the works associated with Furlonger St - Nixon Ct augmentation were completed in 2016/17 than anticipated in the budget, therefore resulting in less works undertaken in 2017/18 |
| 11 | Waste management | Outcome: Overspend \$1.13 million (125%) Construction of Cell 5 at the Hyland Highway landfill saw a greater portion of works undertaken in 2017/18 than budgeted due to delays in works being completed in 2016/17. |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: PERFORMANCE AGAINST BUDGET (CONTINUED)

(i) Explanation of Material Variations – Capital Works (Conitued)

| REF | ITEM | EXPLANATION |
|-----|------------------------------------|--|
| 12 | Parks, open space and streetscapes | Outcome: Underspend \$0.15 million (25%) Delays in completing the Playground Equipment Renewal / Upgrade program most notably Nindoo Drive Reserve will result in works being carried forward to 2018/19. |
| 13 | Off street car parks | Outcome: Overspend \$0.19 million (155%) The budget allocation to construct the Harold Preston carpark was insufficient to deliver the carpark project resulting in above budget expenditure. |
| 14 | New asset expenditure | Outcome: Underspend \$2.63 million (35%) A number of projects will carry over to the 2018/19 financial year most notably the Latrobe Creative Precinct design, Morwell to Traralgon Shared Pathway and Latrobe City Synthetic Sports Field Pavilion. |
| 15 | Asset renewal expenditure | Outcome: Underspend \$0.51 million (3%) Mainly associated with the delay in Downies Lane Bridge works. |
| 16 | Asset expansion expenditure | Outcome: Underspend \$0.49 million (93%) Mainly due to drainage augmentation works, the adopted budget assumed a larger carry forward than actually required. |
| 17 | Asset upgrade expenditure | Outcome: Overspend \$0.93 million (48%) Nation Building Blackspot Program works incurred in current year including works delayed from the prior year. |

**NOTE 2
FUNDING FOR THE DELIVERY OF OUR SERVICES****2.1 RATES AND CHARGES**

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of its land and all its improvements.

This valuation base was used to calculate general rates, excluding valuations for power generation companies and Australian Paper Maryvale Ltd. The valuation base used to calculate general rates for 2017/18 was \$10,796.84 million (2016/17 was \$10,718.60 million). The applicable rates in the CIV dollar were:

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
| General | 0.00475557 | 0.00466490 |
| Farm | 0.00356668 | 0.00349867 |
| Derelict Properties | 0.01426672 | n/a |
| Cultural and recreational | 0.00237778 | 0.00233245 |
| Cultural and recreational with gaming facilities | 0.00285334 | 0.00279894 |

This derived rate revenues of:

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| General rates | 50,312 | 48,834 |
| Municipal charge | 5,086 | 4,956 |
| Garbage charge | 10,964 | 10,640 |
| EPA Victoria landfill levy | 706 | 685 |
| Supplementary rates and rates adjustments | 691 | 662 |
| Cultural and recreational | 83 | 82 |
| Revenue in lieu of rates | 7,508 | 9,262 |
| Total rates and charges | 75,350 | 75,121 |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

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

2.2 STATUTORY FEES AND FINES

| | | |
|---------------------------------------|--------------|--------------|
| Infringement and costs | 623 | 734 |
| Town planning fees | 11 | 9 |
| Land information certificates | 71 | 57 |
| Permits | 613 | 443 |
| Health registrations | 353 | 364 |
| Animal registrations | 480 | 445 |
| Other | 152 | 106 |
| Total Statutory fees and fines | 2,303 | 2,158 |

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

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

| | 2018 \$'000s | 2017 \$'000s |
|--------------------------------|-----------------|-----------------|
| 2.3 USER FEES | | |
| Aged and health services | 1,793 | 1,839 |
| Leisure centre and recreation | 3,410 | 2,447 |
| Child care/children's programs | 4,174 | 5,185 |
| Waste management services | 3,372 | 4,189 |
| Other fees and charges | 1,128 | 1,095 |
| Total User fees | 13,877 | 14,755 |

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

2.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT

Grants were received in respect of the following:

SUMMARY OF GRANTS

| | | |
|----------------------------|---------------|---------------|
| Commonwealth funded grants | 19,602 | 23,154 |
| State funded grants | 16,266 | 15,522 |
| Total | 35,868 | 38,676 |

GRANTS – OPERATING**Recurrent – Commonwealth Government**

| | | |
|---|---------------|---------------|
| Victorian Grants Commission | 12,329 | 17,195 |
| Aged and disability programs | 2,791 | 2,727 |
| Family and children programs | 110 | 127 |
| Employment facilitation | 521 | 194 |
| Other | - | 5 |
| Recurrent – State Government | | |
| Aged and disability programs | 2,424 | 2,439 |
| Preschools | 3,404 | 3,229 |
| Family and children programs | 2,031 | 1,257 |
| Maternal and child health | 1,221 | 760 |
| Libraries | 509 | 503 |
| Arts programs | 155 | 155 |
| Rural access program | 129 | 84 |
| School crossing supervision | 122 | 92 |
| Community health | 26 | 207 |
| Other | 28 | 18 |
| Total Grants – Operating (Recurrent) | 25,800 | 28,992 |

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| Non-Recurrent – Commonwealth Government | | |
| Community support and development programs | 110 | - |
| Public lighting | 170 | 70 |
| Economic development | - | 64 |
| Other | 11 | 20 |
| Non-Recurrent – State Government | | |
| Aged and disability programs | - | 115 |
| Arts program | - | 15 |
| Community health | - | 25 |
| Events & International Relations | 412 | - |
| Family and children programs | 9 | 23 |
| Natural disaster recovery | - | 574 |
| Economic development | 119 | 114 |
| Other recreation facilities | 1,383 | 285 |
| Community support and development programs | 132 | 172 |
| Waste & Landfill | 145 | - |
| Other | 47 | 214 |
| Total Grants – Operating (Non-Recurrent) | 2,538 | 1,691 |
| Total Grants – Operating | 28,338 | 30,683 |
| GRANTS –CAPITAL | | |
| Recurrent – Commonwealth Government | | |
| Roads to recovery program | 2,384 | 2,752 |
| Total Grants –Capital (Recurrent) | 2,384 | 2,752 |
| Non-Recurrent – Commonwealth Government | | |
| Footpath & Cycleways | 290 | - |
| Recreation, leisure and community facilities | 886 | - |
| Non-Recurrent – State Government | | |
| Buildings | 1,116 | - |
| Roads | 786 | 2,992 |
| Drainage | (31) | 290 |
| Footpath | 621 | 1,473 |
| Off-street car parks | - | 60 |
| Recreation, leisure and community facilities | 1,478 | - |
| Parks, open space and streetscape | - | 426 |
| Total Grants –Capital (Non-Recurrent) | 5,146 | 5,241 |
| Total Grants – Capital | 7,530 | 7,993 |
| Total Grants | 35,868 | 38,676 |

Unspent grants received on condition that they be spent in a specific manner

| | | |
|---|---------------|---------------|
| Balance at start of year | 12,340 | 5,650 |
| Received during the financial year and remained unspent at balance date | 11,762 | 11,402 |
| Received in prior years and spent during the financial year | (11,482) | (4,711) |
| Balance at year end* | 12,620 | 12,340 |

* Note: Council received an advance of \$6.2 million of 2018/19 Victoria Grants Commission funding in June 2018, while this funding has no specific conditions attached, it is required to be carried forward to as a funding source for the 2018/19 budget year.

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 : FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

| | 2018 \$'000s | 2017 \$'000s |
|----------------------------|-----------------|-----------------|
| 2.5 CONTRIBUTIONS | | |
| Monetary | 512 | 410 |
| Non-monetary | 6,133 | 8,647 |
| Total Contributions | 6,645 | 9,057 |

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

| | | |
|---|--------------|--------------|
| Land | 1,097 | 1,487 |
| Buildings | 530 | - |
| Roads | 2,309 | 3,897 |
| Other Infrastructure | 2,173 | 3,263 |
| Other | 24 | - |
| Total non-monetary contributions | 6,133 | 8,647 |

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

2.6 OTHER INCOME

| | | |
|---------------------------|--------------|--------------|
| Interest | 2,388 | 2,282 |
| Legal cost recovery | - | 825 |
| Other Rent | 742 | 822 |
| Sales | 611 | 659 |
| Contributions other | 653 | 494 |
| Other | 45 | 388 |
| Insurance | 150 | 138 |
| Total other income | 4,589 | 5,607 |

Interest is recognised as it is earned.

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.

**NOTE 3
THE COST OF DELIVERING SERVICES**

| | 2018 \$'000s | 2017 \$'000s |
|-----------------------------|-----------------|-----------------|
| 3.1 Employee Costs | | |
| Salaries and wages | 47,780 | 43,640 |
| Workcover | 1,119 | 1,158 |
| Superannuation | 4,369 | 4,144 |
| Fringe benefits tax | 394 | 498 |
| Other | 2,591 | 2,405 |
| Total employee costs | 56,253 | 51,845 |

(b) Superannuation

Council made contributions to the following funds:

| | | |
|--|--------------|--------------|
| Defined Benefits Funds | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 376 | 401 |
| Employer contributions payable at reporting date | - | - |
| Total Define Benefits | 376 | 401 |
| Accumulation funds | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 3,587 | 3,357 |
| Employer contributions payable at reporting date | 406 | 386 |
| Total Accumulation Funds | 3,993 | 3,743 |

Refer to note 8.3 for further information relating to Council's superannuation obligations.

3.2 MATERIALS AND SERVICES

| | | |
|-------------------------------------|---------------|---------------|
| Contract payments | 22,483 | 19,253 |
| Building maintenance | 141 | 213 |
| General maintenance | 4,426 | 4,197 |
| Utilities | 2,686 | 2,590 |
| Office administration | 2,506 | 2,252 |
| Information technology | 1,628 | 1,940 |
| Insurance | 801 | 1,117 |
| Consultants | 2,790 | 1,976 |
| Other | 199 | 212 |
| Total materials and services | 37,660 | 33,750 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: THE COST OF DELIVERING SERVICES (CONTINUED)

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
| 3.3 DEPRECIATION AND AMORTISATION | | |
| Property | 4,171 | 4,015 |
| Plant, furniture and equipment | 2,047 | 2,100 |
| Infrastructure | 18,840 | 18,267 |
| Total depreciation | 25,058 | 24,382 |
| Intangible assets | 674 | 906 |
| Total depreciation and amortisation | 25,732 | 25,288 |

Refer to Note 4.2(b) and 5.2 for a more detailed breakdown of depreciation and amortisation charges.

3.4 BAD AND DOUBTFUL DEBTS

| | | |
|---|-----------|-----------|
| Other debtors | 21 | - |
| Total bad and doubtful debts* | 21 | - |
| Movement in provision for doubtful debts | | |
| Balance at the beginning of the year | 23 | 77 |
| New Provisions recognised during the year | 9 | 19 |
| Amounts already provided for and written off as uncollectible | (10) | (18) |
| Amounts provided for but recovered during the year | (1) | (55) |
| Balance at the end of the year | 21 | 23 |

Provision for doubtful debt is recognised when there is an objective evidence that an impairment loss has occurred.
Bad debts are written off when identified

3.5 BORROWING COSTS

| | | |
|------------------------------|------------|------------|
| Interest on Borrowings | 741 | 884 |
| Total Borrowing Costs | 741 | 884 |

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

3.6 NET GAIN/ (LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

| | | |
|--|----------------|--------------|
| Proceeds of sale | 905 | 656 |
| Write down value of assets disposed (sold/written off) | (738) | (960) |
| Write down value of assets disposed (asset renewal) | (7,699) | - |
| Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment | (7,532) | (304) |

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

3.7 OTHER EXPENSES

| | | |
|-----------------------------------|--------------|--------------|
| Auditors' remuneration - VAGO | 59 | 64 |
| Auditors' remuneration - Internal | 99 | 47 |
| Audit other | 45 | 33 |
| Councillors' allowances | 304 | 283 |
| Operating lease rentals | 62 | 179 |
| Grants | 1,107 | 1,059 |
| Levies | 1,560 | 1,741 |
| Assets written-off / impaired | 897 | 552 |
| Total other expenses | 4,133 | 3,958 |

**NOTE 4
OUR FINANCIAL POSITION**

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
|--|-----------------|-----------------|

4.1 FINANCIAL ASSETS**(a) Cash and cash equivalents**

| | | |
|--|---------------|--------------|
| Cash on Hand | 14 | 17 |
| Cash at Bank | 23,445 | 9,054 |
| Total Cash and Cash Equivalents | 23,459 | 9,071 |

(b) Other financial assets

| | | |
|-------------------------------------|---------------|---------------|
| Term Deposits - current (>90days) | 64,518 | 71,518 |
| Total other financial assets | 64,518 | 71,518 |
| Total financial assets | 87,977 | 80,589 |

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

| | | |
|---|---------------|--------------|
| Trust funds and deposits (Note 4.3) | 2,114 | 2,349 |
| Total restricted funds | 2,114 | 2,349 |
| Total unrestricted cash and cash equivalents | 21,345 | 6,722 |

Intended Allocations

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

| | | |
|---|---------------|---------------|
| Reserve funds allocated for specific future purposes (Note 8.1 (b)) | 3,404 | 3,302 |
| Cash held to fund carried forward capital works | 6,729 | 7,708 |
| Unexpended grants (Note 2.4 – net increase of \$0.28 million from 2017 to 2018) | 12,620 | 12,340 |
| Total funds subject to intended allocations | 22,753 | 23,350 |

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

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

Non-Current

| | | |
|---|---------------|---------------|
| MAPS Group Ltd. Shares | 2 | 2 |
| Total non-current other financial assets | 2 | 2 |
| Total other financial assets | 87,979 | 80,591 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: OUR FINANCIAL POSITION (CONTINUED)

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
| (c) Trade and other receivables | | |
| CURRENT | | |
| <i>Statutory receivables</i> | | |
| Rates debtors* | 3,865 | 4,131 |
| Health Registrations | 1 | - |
| Goods and services tax (GST) | 753 | 985 |
| <i>Non-statutory receivables</i> | | |
| Loans and advances to community organisations | 8 | 3 |
| Other debtors | 3,835 | 2,567 |
| Provision for doubtful debts - other debtors | (21) | (23) |
| Total current trade and other receivables | 8,441 | 7,663 |
| <i>*Rates are payable by four instalments during the year or by lump sum in February. Arrears attract interest, currently at the rate of 9.5% per annum.</i> | | |
| NON-CURRENT | | |
| <i>Non-statutory receivables</i> | | |
| Loans and advances to community organisations | 18 | 16 |
| Total non-current trade and other receivables | 18 | 16 |
| Total trade and other receivables | 8,459 | 7,679 |

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(i) Ageing of Receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

| | | |
|--|--------------|--------------|
| Current (not yet due) | 2,629 | 1,992 |
| Past due by up to 30 days | 871 | 252 |
| Past due between 31 and 60 days | 54 | 159 |
| Past due between 61 and 90 days | 56 | 64 |
| Past due by more than 90 days | 251 | 119 |
| Total trade and other receivables | 3,861 | 2,586 |

(ii) Ageing of Individually Impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$23K (2016 \$77K) were impaired. The amount of the provision raised against these debtors was \$23K (2016 \$77K). They individually 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.

| | | |
|--|-----------|-----------|
| Current (not yet due) | - | - |
| Past due by up to 30 days | - | - |
| Past due between 31 and 60 days | - | - |
| Past due between 61 and 90 days | 1 | 4 |
| Past due by more than 90 days | 20 | 19 |
| Total trade and other receivables | 21 | 23 |

4.2 NON FINANCIAL ASSETS**(a) Other Assets**

| | 2018 \$'000s | 2017 \$'000s |
|---------------------------|-----------------|-----------------|
| Prepayments | 504 | 1,072 |
| Accrued Income | 2,457 | 1,490 |
| Total Other Assets | 2,961 | 2,562 |

(b) Intangible Assets

| | | |
|--------------------------------|------------|------------|
| Software | 124 | 191 |
| Landfill Air Space | - | 607 |
| Total intangible assets | 124 | 798 |

| | SOFTWARE \$'000 | LANDFILL AIR SPACE \$'000 | TOTAL \$'000 |
|---|--------------------|---------------------------------|-----------------|
| Gross Carrying Amount | | | |
| Balance at 1 July 2017 | 1,147 | 16,586 | 17,733 |
| Additions from internal developments | - | - | - |
| Other additions | - | - | - |
| Balance at 1 July 2018 | 1,147 | 16,586 | 17,733 |
| Accumulated Amortisation and Impairment | | | |
| Balance at 1 July 2017 | (956) | (15,979) | (16,935) |
| Amortisation Expense | (67) | (607) | (674) |
| Balance at 1 July 2018 | (1,023) | (16,586) | (17,609) |
| Net Book Value at 30 June 2017 | 191 | 607 | 798 |
| Net Book Value at 30 June 2018 | 124 | - | 124 |

4.3 PAYABLES**(a) Trade and other payables**

| | 2018 \$'000s | 2017 \$'000s |
|---------------------------------------|-----------------|-----------------|
| Trade Payables | 7,050 | 8,293 |
| Accrued Expenses | 960 | 929 |
| Total trade and other payables | 8,010 | 9,222 |

(b) Trust funds and deposits

| | | |
|---------------------------------------|--------------|--------------|
| Refundable deposits | 1,689 | 1,884 |
| Fire Service Levy | 284 | 322 |
| Retention amounts | 95 | 95 |
| Other refundable deposits | 46 | 48 |
| Total trust funds and deposits | 2,114 | 2,349 |

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of the forfeit.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

*NOTE 4: OUR FINANCIAL POSITION (CONTINUED)***Purpose and Nature of Items**

Refundable deposits – Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to contracts, asset protection, planning permit works and the use of civic facilities.

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

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

4.4 INTEREST-BEARING LIABILITIES

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
| Current | | |
| Borrowings – Secured | 1,573 | 1,869 |
| Total current | 1,573 | 1,869 |
| Non-Current | | |
| Borrowings – Secured | 15,061 | 14,281 |
| Total non-current | 15,061 | 14,281 |
| Total interest-bearing loans and borrowings | 16,634 | 16,150 |

All borrowings are secured over Council's Rate Revenue

The maturity profile for Council's borrowings is:

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| Not later than one year | 1,573 | 1,869 |
| Later than one year and not later than five years | 10,426 | 10,796 |
| Later than five years | 4,635 | 3,485 |
| Total borrowings secured over Council's Rate Revenue | 16,634 | 16,150 |

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

4.5 PROVISIONS

| | ANNUAL LEAVE \$'000s | LONG SERVICE LEAVE \$'000s | LANDFILL REHABILITATION \$'000s | TOTAL \$'000s |
|---|-------------------------|----------------------------------|---------------------------------------|------------------|
| 2018 | | | | |
| Balance at Beginning of the Financial Year | 4,365 | 9,159 | 19,219 | 32,743 |
| Additional/(Reduced) Provisions | 3,976 | 1,536 | 8,991 | 14,503 |
| Amounts Used | (3,771) | (729) | (1,190) | (5,690) |
| Increase/ (Decrease) in the discounted amount arising because of time and effect of any change in the discount rate | 6 | 89 | (9) | 86 |
| Balance at the End of the Financial Year | 4,576 | 10,055 | 27,011 | 41,642 |
| 2017 | | | | |
| Balance at Beginning of the Financial Year | 4,154 | 9,768 | 23,348 | 37,270 |
| Additional/(Reduced) Provisions | 3,725 | 1,115 | (2,036) | 2,804 |
| Amounts Used | (3,520) | (859) | (1,510) | (5,889) |
| Increase/ (Decrease) in the discounted amount arising because of time and effect of any change in the discount rate | 6 | (865) | (583) | (1,442) |
| Balance at the End of the Financial Year | 4,365 | 9,159 | 19,219 | 32,743 |

(a) Employee Provisions

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
| Current Provisions Expected to be wholly settled within 12 months | | |
| Annual Leave | 4,250 | 4,054 |
| Long Service Leave | 2,387 | 2,062 |
| Total Current Provisions Expected to be wholly settled within 12 months | 6,637 | 6,116 |
| Current Provisions Expected to be wholly settled after 12 months | | |
| Annual Leave | 326 | 312 |
| Long Service Leave | 5,765 | 5,524 |
| Total Current Provisions Expected to be wholly settled after 12 months | 6,091 | 5,836 |
| Total Current Employee Provisions | 12,728 | 11,952 |
| Non-Current | | |
| Long Service Leave | 1,903 | 1,573 |
| Total Non-Current Employee Provisions | 1,903 | 1,573 |
| Aggregate Carrying Amount of Employee Provisions | | |
| Current | 12,728 | 11,952 |
| Non-Current | 1,903 | 1,573 |
| Total Aggregate Carrying Amount of Employee Provisions | 14,631 | 13,525 |

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the 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.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: OUR FINANCIAL POSITION (CONTINUED)

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
|--|-----------------|-----------------|

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

KEY ASSUMPTIONS:

| | |
|-------------------|----------|
| Discount rate | 2.19% |
| Inflation rate | 3.88% |
| Settlement period | 25 years |

(b) Landfill restoration

| | | |
|--------------|---------------|---------------|
| Current | 6,481 | 4,797 |
| Non-Current | 20,530 | 14,421 |
| Total | 27,011 | 19,218 |

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

4.6 FINANCING ARRANGEMENTS

| | | |
|--------------------------|---------------|---------------|
| Bank Overdraft | 1,000 | 1,000 |
| Credit card facilities | 500 | 120 |
| Other facilities | 16,634 | 16,150 |
| Total Facilities | 18,134 | 17,270 |
| Used Facilities | 16,663 | 16,164 |
| Unused Facilities | 1,471 | 1,106 |

4.7 COMMITMENTS

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

| | NOT LATER THAN 1 YEAR \$'000s | LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS \$'000s | LATER THAN 2 YEARS AND NOT LATER THAN 5 YEARS \$'000s | LATER THAN 5 YEARS \$'000s | TOTAL \$'000s |
|--|-------------------------------------|--|---|----------------------------------|------------------|
| 2018 | | | | | |
| OPERATING | | | | | |
| Recycling | 2,200 | 2,222 | - | - | 4,422 |
| Garbage collection | 1,689 | - | - | - | 1,689 |
| Courier service | 65 | - | - | - | 65 |
| Cleaning contracts for council amenities/streets | 1,326 | 939 | 110 | - | 2,375 |
| Cleaning contracts for council buildings | 1,015 | - | - | - | 1,015 |
| Meals for Delivery | 205 | - | - | - | 205 |
| Security | 18 | 11 | - | - | 29 |
| Software | 63 | 47 | - | - | 110 |
| Landfill | 200 | - | - | - | 200 |
| Recreation | 62 | - | - | - | 62 |
| Total | 6,843 | 3,219 | 110 | - | 10,172 |
| CAPITAL CONSTRUCTION | | | | | |
| Buildings | 1,998 | - | - | - | 1,998 |
| Landfill | 183 | 142 | 66 | - | 391 |
| Footpaths and Cycleways | 98 | - | - | - | 98 |
| Roads | 441 | - | - | - | 441 |
| Total | 2,720 | 142 | 66 | - | 2,928 |
| 2017 | | | | | |
| OPERATING | | | | | |
| Recycling | 1,411 | 2 | - | - | 1,413 |
| Garbage collection | 3,377 | 1,735 | - | - | 5,112 |
| Courier service | 57 | - | - | - | 57 |
| Cleaning contracts for council amenities/streets | 518 | 102 | - | - | 620 |
| Meals for Delivery | 295 | - | - | - | 295 |
| Security | 79 | - | - | - | 79 |
| Landfill | 360 | 133 | - | - | 493 |
| Total | 6,097 | 1,972 | - | - | 8,069 |
| CAPITAL CONSTRUCTION | | | | | |
| Buildings | 2,876 | - | - | - | 2,876 |
| Roads | 783 | - | - | - | 783 |
| Total | 3,659 | - | - | - | 3,659 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: OUR FINANCIAL POSITION (CONTINUED)

Operating Lease Commitments

At the reporting date, the Council has 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):

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| Not later than one year | 122 | 106 |
| Later than one year and not later than five years | 243 | 241 |
| Later than five years | 1,159 | 1,010 |
| Total Operating Lease Commitments | 1,524 | 1,357 |

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

NOTE 5
ASSETS WE MANAGE

5.1 Non current assets classified as held for sale

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| Cost of acquisition | 48 | 385 |
| Total non-current assets classified as held for sale | 48 | 385 |

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

5.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

| | AT FAIR VALUE 30 JUNE 2017 | ACQUISITIONS | CONTRIBUTIONS | REVALUATION | DEPRECIATION | DISPOSAL | TRANSFERS | AT FAIR VALUE 30 JUNE 2018 |
|---------------------|-------------------------------|---------------|---------------|-----------------|-----------------|----------------|------------|-------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | 222,615 | 665 | 1,097 | (50,609) | - | (25) | - | 173,743 |
| Buildings | 188,023 | 4,540 | 530 | 24,464 | (4,171) | (3,646) | (6,803) | 202,937 |
| Plant and equipment | 11,971 | 2,134 | 24 | - | (2,047) | (388) | - | 11,694 |
| Infrastructure | 746,996 | 10,950 | 4,482 | - | (18,840) | (4,053) | 12,036 | 751,571 |
| Work in progress | 8,720 | 7,593 | - | - | - | (885) | (5,235) | 10,193 |
| | 1,178,325 | 25,882 | 6,133 | (26,145) | (25,058) | (8,997) | (2) | 1,150,138 |

Summary of works in progress

| | OPENING WIP \$'000 | ADDITIONS \$'000 | TRANSFERS \$'000 | WRITE OFFS \$'000 | CLOSING WIP \$'000 |
|----------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|
| Buildings | | 2,654 | 1,615 | (2,018) | 1,726 |
| Infrastructure | | 6,066 | 5,978 | (3,217) | 8,467 |
| Total | | 8,720 | 7,593 | (5,235) | 10,193 |

| ASSET CATEGORY | DEPRECIATION PERIOD | THRESHOLD LIMIT \$'000 |
|--|---------------------|------------------------|
| Property | | |
| Land | na | Nil |
| Buildings* | 10-100 years | 10.0 |
| Plant and equipment | | |
| Plant, machinery and equipment | 3 - 12 years | 1.0 |
| Fixtures, fittings and furniture | 5 - 10 years | 1.0 |
| Computers and telecommunications | 3 - 7 years | 1.0 |
| Art works collection | na | 0.5 |
| Infrastructure | | |
| Road pavements and seals | 14 - 87 years | 10.0 |
| Road formation and earthworks | na | 10.0 |
| Road kerb and channel | 77 years | 10.0 |
| Bridges deck | 100 years | 10.0 |
| Bridges substructure | 100 years | 10.0 |
| Footpaths and cycleways | 15 - 60 years | 10.0 |
| Drainage | 100 years | 10.0 |
| Waste management | 2 - 20 years | 10.0 |
| Parks, open space and streetscapes | 20 years | 5.0 |
| Recreation, leisure and community facilities | 50 years | 10.0 |
| Off street car parks | 14 - 87 years | 10.0 |
| Intangible assets | | |
| Software | 5 years | 5.0 |
| Landfill air space | 2 years | 10.0 |

* Note: Council undertook a revaluation of buildings during the reporting period which has separated buildings into various components with useful lives varying from 10 to 100 years. Previously the Depreciated Replacement Cost of Buildings was depreciated over 50 years based on the average remaining useful life.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 5: ASSETS WE MANAGE (CONTINUED)

(a) Property

| NOTE | LAND - SPECIALISED (INCL LAND UNDER ROADS) \$'000 | LAND - NON SPECIALISED \$'000 | TOTAL LAND \$'000 | BUILDINGS - SPECIALISED \$'000 | TOTAL BUILDINGS \$'000 | WORK IN PROGRESS \$'000 | TOTAL PROPERTY \$'000 |
|--|--|----------------------------------|----------------------|-----------------------------------|---------------------------|----------------------------|--------------------------|
| At fair value 1 July 2017 | 136,298 | 86,317 | 222,615 | 204,237 | 204,237 | 2,654 | 429,506 |
| Accumulated depreciation at 1 July 2017 | - | - | - | (16,214) | (16,214) | - | (16,214) |
| | 136,298 | 86,317 | 222,615 | 188,023 | 188,023 | 2,654 | 413,292 |
| MOVEMENTS IN FAIR VALUE | | | | | | | |
| Additions | - | 665 | 665 | 4,540 | 4,540 | 1,615 | 6,820 |
| Contributions | 32 | 1,065 | 1,097 | 737 | 737 | - | 1,834 |
| Revaluation* | (9,162) | (41,447) | (50,609) | 69,722 | 69,722 | - | 19,113 |
| Disposal | - | (25) | (25) | (3,965) | (3,965) | - | (3,990) |
| Write-off | - | - | - | - | - | (525) | (525) |
| Transfers | - | - | - | (7,596) | (7,596) | (2,018) | (9,614) |
| | (9,130) | (39,742) | (48,872) | 63,438 | 63,438 | (928) | 13,638 |
| MOVEMENTS IN ACCUMULATED DEPRECIATION | | | | | | | |
| Depreciation and amortisation | - | - | - | (4,171) | (4,171) | - | (4,171) |
| Revaluation | - | - | - | (45,258) | (45,258) | - | (45,258) |
| Contributions | - | - | - | (207) | (207) | - | (207) |
| Accumulated depreciation of disposals | - | - | - | 319 | 319 | - | 319 |
| Transfers | - | - | - | 793 | 793 | - | 793 |
| | - | - | - | (48,524) | (48,524) | - | (48,524) |
| At fair value 30 June 2018 | 127,168 | 46,575 | 173,743 | 267,675 | 267,675 | 1,726 | 443,144 |
| Accumulated depreciation at 30 June 2018 | - | - | - | (64,738) | (64,738) | - | (64,738) |
| | 127,168 | 46,575 | 173,743 | 202,937 | 202,937 | 1,726 | 378,406 |

*Note: In undertaking the revaluation of Council land during the reporting period, Council's valuer identified many assets were previously classified as non-specialised that should have been valued as specialised. Subsequently the number of non-specialised properties has decreased from 303 to 159. This has led to the valuer applying Community Service Obligation discounts (typically 50%) to the valuations for these properties which is the main reason behind the large revaluation decrement shown in non-specialised land.

(b) Plant and Equipment

| NOTE | PLANT \$'000 | FIXTURES \$'000 | COMPUTERS & \$'000 | ART \$'000 | TOTAL PLANT \$'000 |
|--|-----------------|--------------------|-----------------------|---------------|-----------------------|
| At fair value 1 July 2017 | 14,670 | 1,723 | 5,477 | 3,590 | 25,460 |
| Accumulated depreciation at 1 July 2017 | (7,847) | (1,264) | (4,378) | - | (13,489) |
| | 6,823 | 459 | 1,099 | 3,590 | 11,971 |
| MOVEMENTS IN FAIR VALUE | | | | | - |
| Additions | 1,838 | 11 | 273 | 12 | 2,134 |
| Contributions | - | - | - | 24 | 24 |
| Disposal | (1,421) | - | - | - | (1,421) |
| | 417 | 11 | 273 | 36 | 737 |
| MOVEMENTS IN ACCUMULATED DEPRECIATION | | | | | - |
| Depreciation and amortisation | (1,633) | (77) | (337) | - | (2,047) |
| Accumulated depreciation of disposals | 1,033 | - | - | - | 1,033 |
| | (600) | (77) | (337) | - | (1,014) |
| At fair value 30 June 2018 | 15,087 | 1,734 | 5,750 | 3,626 | 26,197 |
| Accumulated depreciation at 30 June 2018 | (8,447) | (1,341) | (4,715) | - | (14,503) |
| | 6,640 | 393 | 1,035 | 3,626 | 11,694 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 5: ASSETS WE MANAGE (CONTINUED)

(c) Infrastructure

| | ROADS | BRIDGES | FOOTPATHS AND CYCLEWAYS | DRAINAGE | WASTE MANAGEMENT | PARKS OPEN SPACES AND STREETSCAPES | AERODROMES | OFF STREET CAR PARKS | RECREATION, LEISURE AND COMMUNITY FACILITIES | WORK IN PROGRESS | TOTAL INFRASTRUCTURE |
|--|-----------|----------|----------------------------|----------|---------------------|--|------------|-------------------------|---|---------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2017 | 720,377 | 55,267 | 77,145 | 204,495 | 7,063 | 3,527 | 4,928 | 6,866 | - | 6,066 | 1,085,734 |
| Accumulated depreciation at 1 July 2017 | (191,702) | (22,195) | (24,801) | (85,206) | (6,327) | (1,490) | (467) | (484) | - | - | (332,672) |
| | 528,675 | 33,072 | 52,344 | 119,289 | 736 | 2,037 | 4,461 | 6,382 | - | 6,066 | 753,062 |
| MOVEMENTS IN FAIR VALUE | | | | | | | | | | | |
| Additions | 8,212 | 179 | 1,945 | 208 | - | 354 | - | 52 | - | 5,978 | 16,928 |
| Contributions | 2,309 | - | 646 | 1,527 | - | - | - | - | - | - | 4,482 |
| Fair value of assets disposed | (7,440) | (151) | (16) | (103) | - | (64) | - | - | - | - | (7,774) |
| Write-off | - | - | - | - | - | - | - | - | - | (360) | (360) |
| Transfers | 2,489 | 82 | 219 | 357 | - | 52 | - | 17 | 9,613 | (3,217) | 9,612 |
| | 5,570 | 110 | 2,794 | 1,989 | - | 342 | - | 69 | 9,613 | 2,401 | 22,888 |
| MOVEMENTS IN ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Depreciation and amortisation | (13,581) | (566) | (1,378) | (2,048) | (736) | (160) | (226) | (145) | - | - | (18,840) |
| Accumulated depreciation of disposals | 3,540 | 59 | 5 | 60 | - | 57 | - | - | - | - | 3,721 |
| Transfers | - | - | - | - | - | - | - | - | (793) | - | (793) |
| | (10,041) | (507) | (1,373) | (1,988) | (736) | (103) | (226) | (145) | (793) | - | (15,912) |
| At fair value 30 June 2018 | 725,947 | 55,377 | 79,939 | 206,484 | 7,063 | 3,869 | 4,928 | 6,935 | 9,613 | 8,467 | 1,108,622 |
| Accumulated depreciation at 30 June 2018 | (201,743) | (22,702) | (26,174) | (87,194) | (7,063) | (1,593) | (693) | (629) | (793) | - | (348,584) |
| | 524,204 | 32,675 | 53,765 | 119,290 | - | 2,276 | 4,235 | 6,306 | 8,820 | 8,467 | 760,038 |

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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. In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

Council recognises land under roads it controls at fair value

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, CJA Lee Property – Valuers and Consultants (Registration number: 62467). 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.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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.

The date of the current valuation is June 2018.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

| | LEVEL 1 \$'000s | LEVEL 2 \$'000s | LEVEL 3 \$'000s |
|-------------------------|--------------------|--------------------|--------------------|
| Land – Non Specialised | - | 46,575 | - |
| Land – Specialised | - | - | 127,168 |
| Buildings – Specialised | - | - | 202,937 |
| Total | - | 46,575 | 330,105 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

*NOTE 5: ASSETS WE MANAGE (CONTINUED)***Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Assetic Pty Ltd MIE(Aust) CPEng, NPER : Membership 1102199.

The date of the current valuation is June 2015.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

| | LEVEL 1 \$'000s | LEVEL 2 \$'000s | LEVEL 3 \$'000s |
|--|--------------------|--------------------|--------------------|
| Roads | - | - | 524,204 |
| Bridges | - | - | 32,675 |
| Footpaths and cycleways | - | - | 53,765 |
| Drainage | - | - | 119,290 |
| Recreational, Leisure and community facilities | - | - | 8,820 |
| Waste management | - | - | - |
| Parks, open space and streetscapes | - | - | 2,276 |
| Aerodromes | - | - | 4,235 |
| Off street car parks | - | - | 6,306 |
| Total | - | - | 751,571 |

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0 and \$826 per square metre

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$84 to \$5,480 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| Reconciliation of specialised land | | |
| Land under roads | 17,728 | 18,185 |
| Parks, reserves and other | 109,440 | 118,434 |
| Total specialised land | 127,168 | 136,619 |

5.3 INVESTMENTS IN ASSOCIATES, JOINT ARRANGEMENTS AND SUBSIDIARIES

Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2018, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. The Yallourn North Community Housing Committee is not included in this financial report based on their materiality.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 PEOPLE AND RELATIONSHIPS

6.1 COUNCIL AND KEY MANAGEMENT REMUNERATION

(a) Related Parties

PARENT ENTITY: Latrobe City Council

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

| | | FROM | TO |
|--|-----------------------|-------------|-------------|
| Mayor | K O'Callaghan (Mayor) | 1/07/2017 | 2/11/2017 |
| | D White (Mayor) | 3/11/2017 | 30/06/2018 |
| Councillors | K O'Callaghan | 1/07/2017 | 30/06/2018 |
| | D White | 1/07/2017 | 30/06/2018 |
| | D Clancey | 1/07/2017 | 30/06/2018 |
| | S Gibson | 1/07/2017 | 30/06/2018 |
| | D Harriman | 1/07/2017 | 30/06/2018 |
| | D Howe | 1/07/2017 | 30/06/2018 |
| | B Law | 1/07/2017 | 30/06/2018 |
| | A McFarlane | 1/07/2017 | 30/06/2018 |
| | G Middlemiss | 1/07/2017 | 30/06/2018 |
| | | 2018 NO. | 2017 NO. |
| Total Number of Councillors | | 9 | 13 |
| Chief Executive Officer and other Key Management Personnel | | 8 | 6 |
| Total Key Management Personnel | | 17 | 19 |

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

| | 2018 \$,000 | 2017 \$,000 |
|--------------------------|----------------|----------------|
| Short-term benefits | 1,447 | 1,363 |
| Post-employment benefits | 107 | 95 |
| Long-term benefits | 84 | 78 |
| Termination benefits | 33 | - |
| Total | 1,671 | 1,536 |

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

| INCOME RANGE | 2018 NO. | 2017 NO. |
|-----------------------|-------------|-------------|
| \$1 - \$9,999 | 1 | 3 |
| \$10,000 - \$19,999 | - | 4 |
| \$20,000 - \$29,999 | 7 | 5 |
| \$30,000 - \$39,999 | 1 | - |
| \$40,000 - \$49,999 | 1 | 1 |
| \$60,000 - \$69,999 | 1 | 1 |
| \$70,000 - \$79,999 | 1 | - |
| \$180,000 - \$189,999 | - | 1 |
| \$210,000 - \$219,999 | 1 | 1 |
| \$220,000 - \$229,999 | 1 | 2 |
| \$230,000 - \$239,999 | 1 | - |
| \$250,000 - \$259,999 | 1 | - |
| \$280,000 - \$289,999 | - | 1 |
| \$310,000 - \$319,999 | 1 | - |
| Total | 17 | 19 |

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$145,000

The number of Senior Officers are shown below in their relevant income bands:

| | 2018 NO. | 2017 NO. |
|--|-------------|-------------|
| Income Range | | |
| < \$145,000 | - | 7 |
| \$145,000 - \$149,999 | 8 | 6 |
| \$150,000 - \$159,999 | 9 | 4 |
| \$180,000 - \$189,999 | 2 | - |
| Total | 19 | 17 |
| Total Remuneration for the reporting year for Senior Officers included above, amounted to (\$,000) | \$2,945 | \$2,506 |

6.2 Related party disclosure**(a) Transactions with related parties**

During the period Council entered into the following transactions with related parties:

| | 2018 \$'000s | 2017 \$'000s |
|---|-----------------|-----------------|
| Employee expenses for close family members of key personnel * | 16 | 20 |
| Purchase of materials & services from entities controlled by key management personnel | 3 | 1 |
| Total | 19 | 21 |

* All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employees 747 staff of which only one is a close family member of key management personnel.

(b) Outstanding balances with related parties

Council has no outstanding balances to/from any related parties.

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the council to a key management person, or a related party of a key management person during the reporting period.

(d) Commitments to/from related parties

The following commitments were in place at the end of the reporting period in relation to related parties.

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
| Employee commitments for close family members of key personnel | 9 | 9 |
| Total | 9 | 9 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 MANAGING UNCERTAINTIES**7.1 CONTINGENT ASSETS AND LIABILITIES****(a) Contingent assets**

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance. These assets are brought to account as revenue and capitalised. At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon Council issuing a Statement of Compliance. Due to the nature of the arrangements in place and the assets involved, a contingent asset cannot be reliably measured prior to completion.

(b) Contingent liabilities**Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contribution, Latrobe City Council has paid unfunded liability payments to Vision Super totalling \$nil (2016/17 \$nil). There were \$nil contributions outstanding and \$nil loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$0.40 million.

Landfill

Council has set aside a provision for the rehabilitation of landfill sites. The amounts provisioned are management's best estimates of the cost to rehabilitate these sites however until the rehabilitation plans have been designed and approved by the Environment Protection Authority Victoria (EPA) there is a possibility that Council's obligations could further increase in respect to these sites.

In addition Council has provided bank guarantees to the value of \$2.90 million to Environment Protection Authority Victoria (EPA) for performance obligations in relation to the rehabilitation of these landfill sites.

(c) Guarantees for loans to other entities

Council has not provided any guarantees for loans to other entities as at the balance date.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

7.2 CHANGE IN ACCOUNTING STANDARDS

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

*NOTE 7: MANAGING UNCERTAINTIES (CONTINUED)***7.3 FINANCIAL INSTRUMENTS****(a) Objectives and policies**

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*.

Council manages interest rate risk by adopting an investment policy that ensures:

- Diversification of investment product;
- Monitoring of return on investment; and
- Benchmarking of returns and comparison with budget.

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

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

(c) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- Have 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.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.50%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

*NOTE 7: MANAGING UNCERTAINTIES (CONTINUED)***7.4 FAIR VALUE MEASUREMENT****Fair value hierarchy**

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

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts

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

Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

7.5 EVENTS OCCURRING AFTER BALANCE DATE

No matters have occurred after balance date that requires disclosure in the financial report. (2016/17, Nil)

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8 OTHER MATTERS

8.1 RESERVES

(a) Asset revaluation reserves

| | BALANCE AT BEGINNING OF REPORTING PERIOD \$'000s | INCREMENT/ (DECREMENT) \$'000s | BALANCE AT END OF REPORTING PERIOD \$'000s |
|---|---|--------------------------------------|--|
| 2018 | | | |
| Property | | | |
| Land | 167,209 | (50,609) | 116,600 |
| Buildings | 89,475 | 24,464 | 113,939 |
| | 256,684 | (26,145) | 230,539 |
| Infrastructure | | | |
| Roads | 134,136 | - | 134,136 |
| Bridges | 28,982 | - | 28,982 |
| Footpaths and cycleways | 19,311 | - | 19,311 |
| Off street carparks | 7,080 | - | 7,080 |
| Drainage | 59,370 | - | 59,370 |
| Parks, open space and streetscapes | 63 | - | 63 |
| NR | 248,942 | - | 248,942 |
| Other | | | |
| Artworks | 895 | - | 895 |
| Other | 14 | - | 14 |
| | 909 | - | 909 |
| Total Asset Revaluation Reserves | 506,535 | (26,145) | 480,390 |
| 2017 | | | |
| Property | | | |
| Land | 167,239 | (30) | 167,209 |
| Buildings | 89,475 | - | 89,475 |
| | 256,714 | (30) | 256,684 |
| Infrastructure | | | |
| Roads | 134,136 | - | 134,136 |
| Bridges | 28,982 | - | 28,982 |
| Footpaths and cycleways | 19,311 | - | 19,311 |
| Off street carparks | 7,080 | - | 7,080 |
| Drainage | 59,370 | - | 59,370 |
| Parks, open space and streetscapes | 63 | - | 63 |
| | 248,942 | - | 248,942 |
| Other | | | |
| Artworks | 895 | - | 895 |
| Other | 14 | - | 14 |
| | 909 | - | 909 |
| Total Asset Revaluation Reserves | 506,565 | (30) | 506,535 |

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

(b) Other Reserves

| | BALANCE AT BEGINNING OF REPORTING PERIOD \$'000s | TRANSFER FROM ACCUMULATED SURPLUS \$'000s | TRANSFER TO ACCUMULATED SURPLUS \$'000s | BALANCE AT END OF REPORTING PERIOD \$'000s |
|-----------------------------|---|---|--|---|
| 2018 | | | | |
| Developer Contributions | 3,302 | (51) | 153 | 3,404 |
| Total other reserves | 3,302 | (51) | 153 | 3,404 |
| 2017 | | | | |
| Developer Contributions | 3,002 | (11) | 311 | 3,302 |
| Total other reserves | 3,002 | (11) | 311 | 3,302 |

Purpose and Nature of Other Reserves

Developer Contributions – The development contribution reserve is maintained to account for funds held by Council for specific development purposes include off street parking, drainage, playgrounds and public open spaces and tree planting development.

8.2 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

| | 2018 \$'000s | 2017 \$'000s |
|--|-----------------|-----------------|
| Surplus for the year | (2,422) | 31,964 |
| Depreciation and amortisation | 25,732 | 25,288 |
| Net (gain)/loss on disposal of property, infrastructure, plant and equipment | 7,532 | 304 |
| Contributions non-monetary assets | (6,133) | (8,647) |
| Finance costs | 741 | 884 |
| Impairment losses / work in progress written off | 897 | 552 |
| Changes in assets and liabilities | | |
| (Increase)/ decrease in trade and other receivables | (779) | (642) |
| (Increase)/ decrease in prepayments | 568 | (661) |
| (Increase)/ decrease in accrued income | (967) | 304 |
| Increase/ (decrease) in trade and other payables | (211) | 1,636 |
| Increase/ (decrease) in trust funds and deposits | (236) | (383) |
| Increase/ (decrease) in provisions | 8,900 | (4,527) |
| Net cash provided by operating activities | 33,622 | 46,072 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

*NOTE 8: OTHER MATTERS(CONTINUED)***8.3 SUPERANNUATION**

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

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 Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

EMPLOYER CONTRIBUTIONS**Regular contributions**

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG 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.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its 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. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2017 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$69.8 million

A total service liability surplus of \$193.5 million.

A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8: OTHER MATTERS (CONTINUED)

8.4 PRIOR YEAR CORRECTIONS

During the reporting period Council undertook revaluation processes for land and buildings a review of Council's asset registers found a number of assets previously recognised in the balance sheet valuations that were not under Council's control. Additionally some Council assets were found to not be included in the registers. A small number of infrastructure assets were also found during the year. These amendments have been recognised as an adjustment to opening accumulated surplus and the 2016/2017 comparative figures for property, infrastructure, plant and equipment.

A third balance sheet has not been presented to disclose the prior year errors as they were considered not material to the comparative amounts included in the Balance Sheet. The net changes are displayed in the following table;

| Summary of prior year adjustments | 2017 RESTATED BALANCES \$'000 |
|--|----------------------------------|
| BALANCE SHEET: | |
| Non-current assets: | |
| Property, infrastructure, plant and equipment | 1,179,890 |
| <i>Found Assets</i> | |
| Land | 162 |
| Buildings | 4,114 |
| Roads | 170 |
| <i>Assets written off</i> | |
| Land | (345) |
| Buildings | (5,666) |
| Property, infrastructure, plant and equipment as restated | 1,178,325 |
| EQUITY: | |
| Accumulated Surplus as previously presented | 701,604 |
| Found Assets | 4,446 |
| Reverse asset incorrectly disposed | (6,011) |
| Accumulated Surplus restated | 700,039 |

Performance Statement

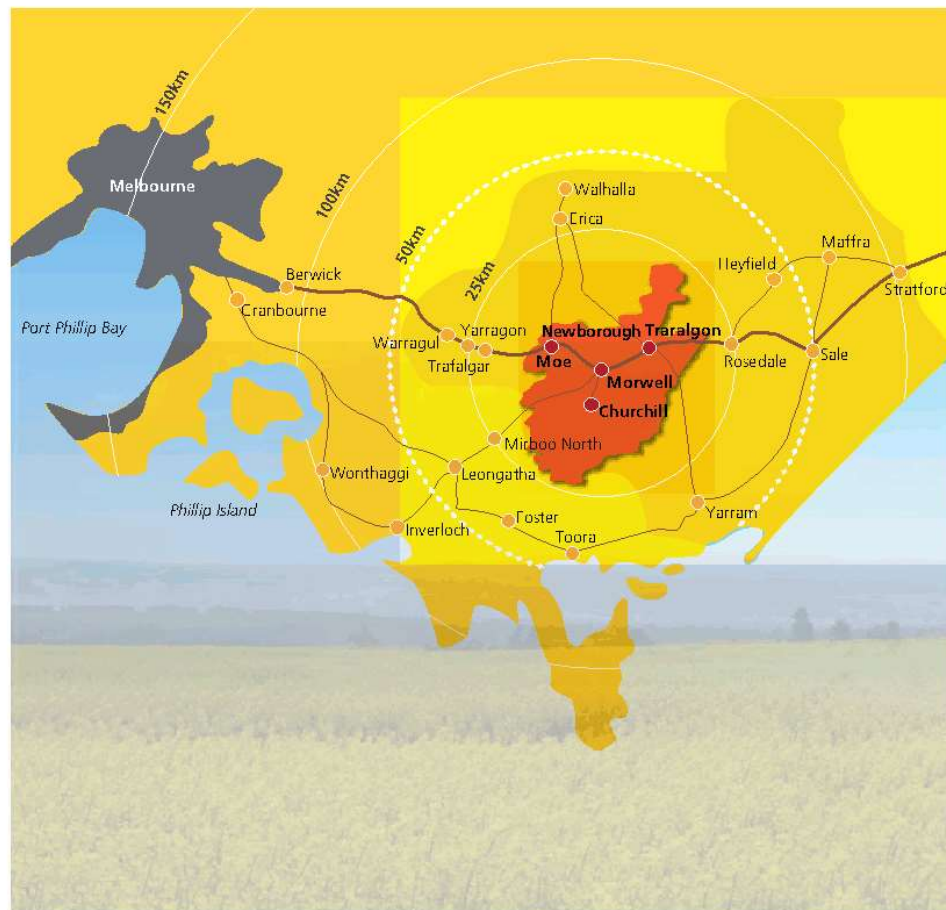
FOR THE YEAR ENDED 30 JUNE 2018

Description of municipality

Latrobe City is Victoria's eastern Regional City and Gippsland's primary service centre and employment hub, providing retail, entertainment, education, government and health services to the region with a population of 74,612. (1)

Latrobe City is located an hour and half drive east of Melbourne covering an area of 1,425 square kilometres situated between the Strzelecki Ranges to the south and the Great Dividing Range to the north. The city is made up of four major towns; Churchill, Moe/Newborough, Morwell and Traralgon; and seven rural townships of Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North and Yinnar. The rural landscape in between townships houses a large population of hard working farmers and residents who enjoy the peace and tranquillity that comes with country life.

1. Australian Bureau of Statistics 3218.0 Regional Population Growth Australia, 24 April 2018. E.R.P.2017



PERFORMANCE STATEMENT

**Certification of the
Performance Statement**

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

Principal Accounting Officer



Matthew Rogers, CPA
Dated: 03 September 2018

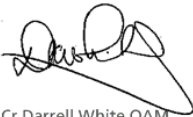
In our opinion, the accompanying performance statement of the Latrobe City Council for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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

Councillor



Cr Darrell White OAM
Dated: 03 September 2018

Councillor



Cr Alan McFarlane
Dated: 03 September 2018

Chief Executive Officer



Gary Van Driel
Dated: 03 September 2018

Auditor General's Report on Performance Statement**ON THE PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018****Independent Auditor's Report****To the Councillors of Latrobe City Council**

| | |
|--|---|
| Opinion | <p>I have audited the accompanying performance statement of Latrobe City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Latrobe City Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the performance statement | <p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p> |
| Auditor's responsibilities for the audit of the performance statement | <p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p> |

PERFORMANCE STATEMENT

Auditor General's Report on Performance Statement

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
5 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2018

| INDICATOR/MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | RESULTS 2018 | MATERIAL VARIATIONS |
|--|-----------------|-----------------|-----------------|-----------------|---|
| Own-source revenue | | | | | |
| Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i> | \$1,231 | \$1,274 | \$1,350 | \$1,288 | The 2017 result was higher mainly as a result of one-off revenue items for write back of landfill rehabilitation provision and legal cost recovery. In 2018 own source revenue returned to expected levels. |
| Recurrent grants | | | | | |
| Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i> | \$424 | \$285 | \$429 | \$378 | The 2015 to 2017 results were impacted by Victoria Grants Commission (VGC) funding paid in advance. (Effectively 18 months funding was received in 2015 and 2017 and 6 months funding in 2016. In 2018 a 50% advance was received for 2019 but in effect 12 months funding was received in the year. The 2018 result is therefore a better reflection of actual annual funding levels than the results of previous years. |
| Population | | | | | |
| Expenses per head of municipal population <i>[Total expenses / Municipal population]</i> | \$1,594 | \$1,659 | \$1,563 | \$1,891 | 2017 result is favourable when compared with 2016 due to the 2016 inclusion of an increase in the Landfill rehabilitation provision. |
| Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i> | \$12,685 | \$12,915 | \$12,929 | \$13,086 | Nil. |
| Population density per length of road <i>[Municipal population / Kilometres of local roads]</i> | 47 | 47 | 46 | 46 | Nil. |
| Disadvantage | | | | | |
| Relative socio-economic disadvantage <i>[Index of Relative Socio-economic Disadvantage by decile]</i> | 1 | 1 | 1 | 1 | Nil. |

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

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

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

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

PERFORMANCE STATEMENT

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2018

| SERVICE/INDICATOR/MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | RESULTS 2018 | MATERIAL VARIATIONS |
|---|--------------|--------------|--------------|--------------|---|
| GOVERNANCE Satisfaction | | | | | |
| Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i> | 49 | 47 | 51 | 52 | Nil. |
| STATUTORY PLANNING Decision making | | | | | |
| Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i> | 80.0% | 66.7% | 57.1% | 60.0% | Nil. |
| ROADS Satisfaction | | | | | |
| Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i> | 52 | 50 | 61 | 56 | Nil. |
| LIBRARIES Participation | | | | | |
| Active library members <i>[Number of active library members / Municipal population] x100</i> | 10.5% | 10.4% | 11.6% | 10.3% | The unforeseen 4 month closure of the Moe Library due to water damage resulted in a reduction in library attendance; once re-opened service levels returned to normal. |
| WASTE COLLECTION Waste diversion | | | | | |
| Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i> | 55.1% | 52.1% | 53.2% | 54.0% | Nil. |
| AQUATIC FACILITIES Utilisation | | | | | |
| Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i> | 5.1 | 5.2 | 5.2 | 4.9 | Nil. |
| ANIMAL MANAGEMENT Health and safety | | | | | |
| Animal management prosecutions <i>[Number of successful animal management prosecutions]</i> | 4.0 | 0.0 | 1.0 | 23.0 | Implementation of a dedicated Prosecutions team to manage serious breaches of legislation and matters that could not be resolved through the infringement process provided an improved result in successful prosecutions. |

SERVICE PERFORMANCE INDICATORS(CONTINUED)

| SERVICE/INDICATOR/MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | RESULTS 2018 | MATERIAL VARIATIONS |
|--|--------------|--------------|------------------------------|------------------------------|--|
| FOOD SAFETY Health and safety | | | | | |
| Critical and major non-compliance notifications <i>[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100</i> | 90.8% | 82.5% | 79.2% | 93.4% | Process improvements have led to an increased ability to follow up major and critical non-compliance notifications. |
| HOME AND COMMUNITY CARE Participation | | | | | |
| Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i> | 18.4% | 18.5% | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Participation | | | | | |
| Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i> | 19.5% | 18.5% | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| MATERNAL AND CHILD HEALTH Participation | | | | | |
| Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i> | 73.7% | 74.9% | 76.3% | 72.6% | Nil. |
| Participation | | | | | |
| Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i> | 69.0% | 71.4% | 68.2% | 70.9% | Nil. |

PERFORMANCE STATEMENT

SERVICE PERFORMANCE INDICATORS (CONTINUED)

Definitions

"Aboriginal child" means a child who is an Aboriginal person

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

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

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

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

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

"food premises" has the same meaning as in the *Food Act 1984*

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

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

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

"population" means the resident population estimated by council

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

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

"VCAT decisions upheld" is defined as rulings in favour of council's original decision and includes where there have been variations that do not materially affect the intention of the original decision. Decisions "set aside" include decisions of VCAT that set aside the original decision of council and therefore result in the original decision of Council being overturned.

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

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

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

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

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

Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2018

| DIMENSION/INDICATOR/ MEASURE | RESULTS | | | | FORECASTS | | | | MATERIAL VARIATIONS |
|--|---------|--------|---------|---------|-----------|--------|--------|--------|--|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | |
| OPERATING POSITION | | | | | | | | | |
| Adjusted underlying result # | | | | | | | | | |
| Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i> | 5.8% | (1.1%) | 13.2% | (11.2%) | (0.3%) | 0.3% | (0.5%) | (1.7%) | Unexpected landfill rehabilitation provision expenses and disposal costs associated with renewing non-current assets resulted in a deficit in 2018. Additionally in 2017 a larger than usual surplus was recorded mainly due to Federal Government Assistance Grants for 2017/18 being received in advance from the Victorian Grants Commission in 2016/17. |
| LIQUIDITY | | | | | | | | | |
| Working capital | | | | | | | | | |
| Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i> | 208.9% | 271.2% | 302.1% | 271.2% | 215.5% | 279.5% | 296.1% | 311.3% | No material variance. A reduced ratio is forecast in 2019 as an interest only loan (\$8.20 million) moves into current liabilities. |
| Unrestricted cash | | | | | | | | | |
| Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i> | 96.9% | 147.2% | (55.1%) | (4.6%) | 40.7% | 15.8% | 16.1% | 16.7% | The improved result is due to Council holding increased levels of cash at call at year end in 2018. Council holds funds in investments with maturity terms greater than 90 days which are recognised as current "Other Financial Assets" rather than cash. Items classified as "restricted cash" exceed actual cash holdings resulting in a negative ratio. Council ensures that these investments mature in a timely manner to ensure it meets obligations as they fall due. Future forecasts show this ratio returning to a positive position due to assumptions of lower restrictions on cash as current capital works projects are completed and grants carry forwards reduce. |
| OBLIGATIONS | | | | | | | | | |
| Loans and borrowings | | | | | | | | | |
| Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i> | 29.3% | 24.9% | 21.5% | 22.1% | 25.7% | 16.4% | 14.6% | 13.1% | Minor variance in 2018. The forecast increase in 2019 reflects new borrowings for the Latrobe Creative Precinct project. The decrease in 2020 reflects the principal repayment of interest only borrowings. |
| Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i> | 17.0% | 9.3% | 3.7% | 3.5% | 2.9% | 12.9% | 2.1% | 1.8% | Minor variance in 2018. The increase in the ratio in 2020 is due to the repayment of an \$8.20 million interest only loan. |
| Indebtedness | | | | | | | | | |
| Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i> | 36.9% | 42.9% | 30.3% | 39.0% | 26.5% | 24.0% | 23.8% | 21.5% | Recognition of increased future landfill rehabilitation costs based on estimates of costs received through a tender process in 2018 has resulted in a higher level of non-current liabilities for 2018. A reduced ratio is forecast in 2019 as an interest only loan (\$8.20 million) moves from non-current to current liabilities. |

PERFORMANCE STATEMENT

FINANCIAL PERFORMANCE INDICATORS (CONTINUED)

| DIMENSION/INDICATOR/ MEASURE | RESULTS | | | | FORECASTS | | | | MATERIAL VARIATIONS |
|---|---------|---------|---------|---------|-----------|---------|---------|---------|--|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | |
| Asset renewal | | | | | | | | | |
| Asset renewal compared to depreciation <i>[Asset renewal expenses / Asset depreciation] x100</i> | 79.9% | 64.0% | 71.6% | 72.5% | 69.9% | 67.7% | 80.9% | 67.7% | Minor variance in 2018. The forecast increase in 2021 reflects the replacement of a cell at Council's landfill facility. |
| STABILITY | | | | | | | | | |
| Rates concentration | | | | | | | | | |
| Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i> | 55.9% | 64.3% | 56.3% | 59.4% | 62.9% | 64.2% | 64.5% | 64.7% | Minor variance in 2018. The ratio is forecast to increase in the future due to conservative recurrent government grants and user fees projections. |
| Rates effort | | | | | | | | | |
| Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i> | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% | Nil. |
| EFFICIENCY | | | | | | | | | |
| Expenditure level | | | | | | | | | |
| Expenses per property assessment <i>[Total expenses / Number of property assessments]</i> | \$3,127 | \$3,118 | \$3,038 | \$3,690 | \$3,231 | \$3,195 | \$3,256 | \$3,335 | Increased landfill rehabilitation provision and a change in accounting practice which now recognises disposal costs associated with renewing non-current assets resulted in additional expenses in 2018. |
| Revenue level | | | | | | | | | |
| Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i> | \$1,494 | \$1,535 | \$1,582 | \$1,608 | \$1,692 | \$1,726 | \$1,760 | \$1,796 | Nil. |
| Workforce turnover | | | | | | | | | |
| Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i> | 11.4% | 15.0% | 10.2% | 9.8% | 11.5% | 11.5% | 11.5% | 11.5% | Minor variance in 2018. Forecasted future turnover is higher based on prior conservative projections used in the 2018-2022 Strategic Resource Plan. |



Top: Aerial of
Newborough
Below: Latrobe
Leisure Morwell
Swimming Pool

PERFORMANCE STATEMENT

FINANCIAL PERFORMANCE INDICATORS (CONTINUED)

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

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

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

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and

is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information**FOR THE YEAR ENDED 30 JUNE 2018****1. Basis of preparation**

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

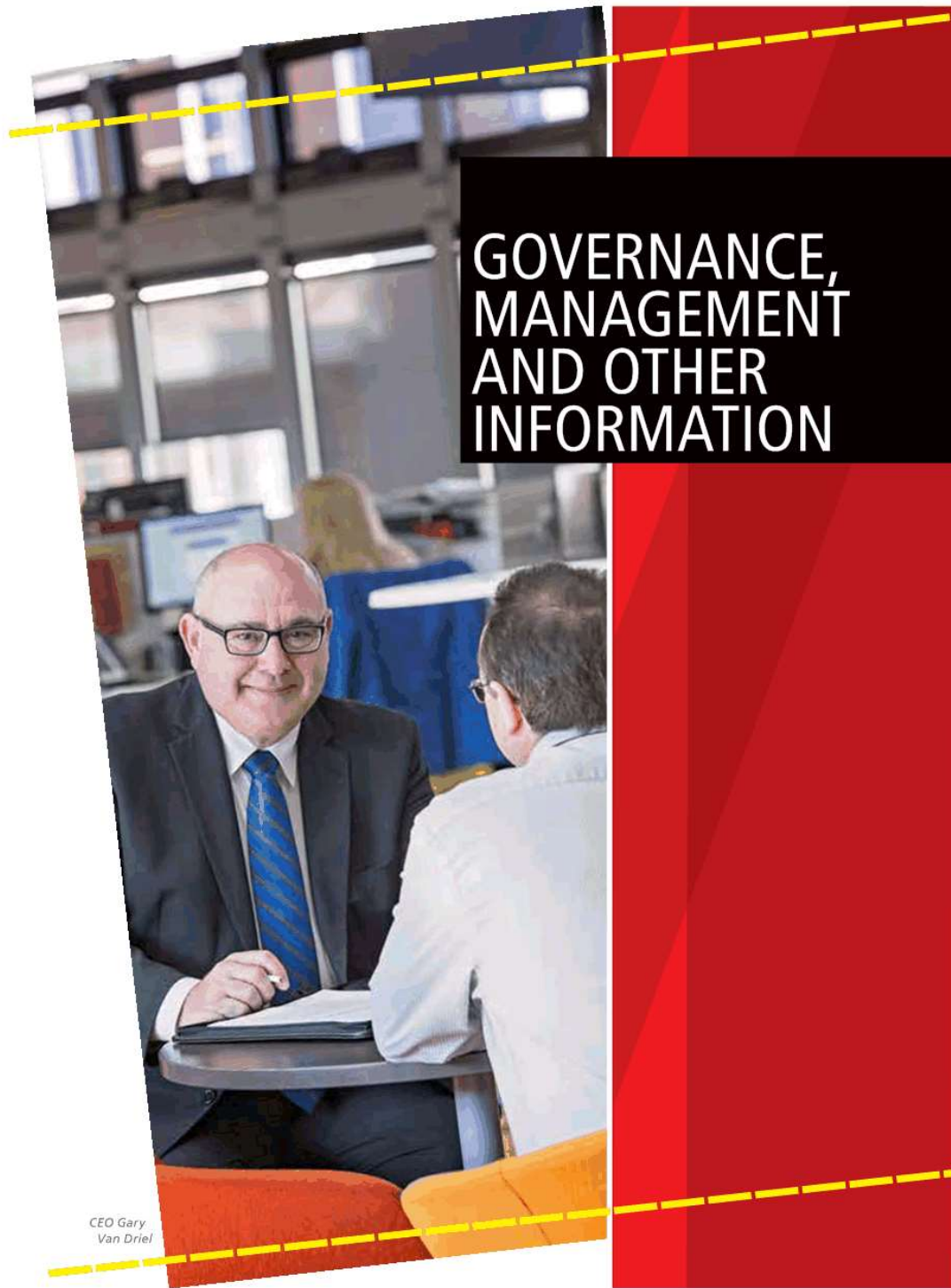
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial

performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 4 June 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION



CEO Gary
Van Driel

Annual Report 2017/18

PAGE 129

Statutory Information

WHAT COUNCIL DOES AND HOW COUNCIL WORKS

Councils are representative governments elected by the community to manage local issues and to establish and plan for the community's needs.

Latrobe City Council is a public statutory body which operates under the legislative requirements of the *Local Government Act 1989*.

This Act sets out the role of the elected Council that is responsible for the leadership and good governance of the municipal district and local community.

Council approves the annual budget, long-term financial plan, development and implementation of strategies and plans and establishes local policies in response to local needs and priorities.

Management of the day-to-day operational matters is the role of the Chief Executive Officer, under delegation of the Council and in accordance with the *Local Government Act 1989*.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is appointed by Council under Section 139 of the *Local Government Act 1989*.

The Audit and Risk Committee Charter describes the authorities and scope of the Committee, which includes assisting Council in the discharge of its oversight of:

- Corporate reporting processes, including financial reporting processes and internal control
- Risk management
- External audit
- Internal audit
- Compliance with laws, regulations, internal policies and industry standards

The Audit and Risk Committee consists of two Councillors and three independent external members as outlined below. Remuneration is currently set at \$1500 per meeting for the Chair and \$1000 per meeting for the other independent members.

The Committee currently consists of:

- **Independent Chair:**
Ms Beverley Excell
Appointed by Council as Chair: 24 May 2016 (for a two-year period)
- **Independent Member:**
Ms Joanne Booth
Reappointed by Council: 10 July 2017 (for a three-year period)
- **Independent Member:**
Mr Terry Richards
Appointed by Council from: 2 June 2016 (for a three-year period)
- **Council Representative:**
Cr Darrell White OAM
Cr Alan McFarlane
(from 4 December 2017*)

The Audit and Risk Committee held four meetings in the 2017/2018 financial year. All independent and Councillor members attended each

of the meetings. Councillors not appointed to the Committee are also invited to attend to observe proceedings, and members of management are present to respond to questions from the Committee.

The Committee has regular reports relating to:

- External audit process and outcomes
- Internal audit planning, reports and action implementation
- Risk management
- Performance reporting
- Awareness of VAGO, IBAC and Ombudsman reports tabled in state parliament (relating to local and state government agencies)
- Key policies that have been reviewed (that relate to internal controls, such as Asset Allocation Policy, Corporate Compliance Policy and Procurement Policy)
- These reports assist the Committee to provide the oversight and input as required under its Charter.

Internal audits that were conducted and reported to the Audit and Risk Committee in the 2017/2018 financial year included:

- Digital Engagement
- Compliance Management
- Capital Works Planning
- Tendering and Contract Management
- Data Governance
- Major Arts Event Selection Process
- Cash Handling Procedures
- Tendering and Contract Management
- Capital Works Planning

Statutory Information

(CONTINUED)

COUNCIL MEETINGS AND DECISIONS

Council meetings are held at Latrobe City Council Corporate Headquarters in Morwell from 6pm on the first Monday of the month. Each Council meeting includes a public question time as a standard agenda item, designed to encourage community participation in the overall affairs of Council.

A Council Meeting is where Councillors are able to make formal decisions on items presented to them. Council Meetings include ordinary meetings (the regular meetings held), special meetings and statutory meetings which are all open to the public (unless Council resolves to close the meeting in accordance with guidelines of the *Local Government Act 1989*).

All Council Meeting dates are advertised in the Latrobe Valley Express newspaper and detailed on the Latrobe City Council website, as well as on its corporate Facebook page.

Councillors also meet for confidential briefing meetings. At these meetings, Councillors have the opportunity to be briefed on strategic items in relation to Council business and on matters of interest within the community. These confidential briefing meetings are considered as Assemblies of Councillors, and records are tabled accordingly at Council Meetings, as per the requirements in the *Local Government Act 1989*.

The Council Meeting schedule, agendas and minutes are available from the Latrobe City Council website: www.latrobe.vic.gov.au

COUNCIL MEETING ATTENDANCE 2017/18

During 2017/18, there were 13 Ordinary Council Meetings and two Special Council Meetings held.

Councillor attendance at these meetings is shown in the below table.

| COUNCILLOR | ORDINARY COUNCIL MEETING | SPECIAL COUNCIL MEETING |
|-----------------------|--------------------------|-------------------------|
| Cr Darrell White | 13 | 2 |
| Cr Dan Clancey | 13 | 2 |
| Cr Kellie O'Callaghan | 13 | 2 |
| Cr Dale Harriman | 13 | 2 |
| Cr Brad Law | 13 | 2 |
| Cr Darren Howe | 12 | 2 |
| Cr Graeme Middlemiss | 12 | 2 |
| Cr Alan McFarlane | 12 | 2 |
| Cr Sharon Gibson | 12 | 2 |

COUNCILLOR CODE OF CONDUCT

After a Council election, every Victorian Council is required to undertake a process of reviewing and amending its Councillor Code of Conduct within four months. Latrobe City Council completed this review and adopted its Councillor Code of Conduct at its Special Council Meeting on Monday 13 February 2017.

The Code of Conduct provides guidelines on:

- Councillor behaviour
- Conflict of interest procedures
- Dispute resolution procedures

The code affirms principles of behaviour requiring that Councillors:

- Act with integrity
- Impartially exercise their responsibilities in the interests of the local community
- Not improperly seek to confer an advantage or disadvantage on any person
- Avoid conflicts between their public duties as a Councillor and their personal interests and obligations
- Act honestly and avoid statements (whether oral or in writing) or actions that will or are likely to mislead or deceive a person
- Treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council officers and other persons
- Exercise reasonable care and diligence
- Use their position properly
- Act lawfully and in accordance with the trust placed in us as elected representatives
- Not make improper use of information acquired because of their position
- Support and promote these principles by leadership and example

Latrobe City Council's Code of Conduct is available at: www.latrobe.vic.gov.au

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

**Statutory
Information***(CONTINUED)***COUNCILLOR
REMUNERATION**

Mayors and Councillors are entitled to receive an allowance while performing their duty as an elected official, with The Victorian Government responsible for setting the upper and lower levels of these allowances.

The Council is required to set the amount of the allowance, within the allowable range, following the general election, and the allowance level determined remains in effect for the full term of the council. In addition to the allowance, councillors also receive an amount equivalent to the superannuation guarantee contribution which is currently 9.5 percent.

At the Ordinary Council Meeting on 13 February 2017, the Council adopted a resolution to set the Mayor and Councillors allowances for the 2016 to 2020 term, to the maximum allowable amount for a category 2 council, being \$76,521 per annum for the Mayor and \$24,730 per annum for Councillors.

Allowance levels are subject to annual automatic adjustments that are announced in the Victorian Government Gazette by the Minister for Local Government. On 23 November 2017, the Department of Environment Land, Water & Planning (refer Local Government Victorian Bulletin: 32/2017) advised all councils that a notice was published in the Victorian Government Gazette G47 dated 23 November 2017, providing for a 2.0 percent adjustment to apply to all mayor and councillor allowances effective from the 1 December 2017. Under Section 73B of the Local Government Act 1989, a Council must increase the Mayoral and Councillor allowance by this adjustment.

In accordance with the Gazette, effective from the 1 December 2017 the Mayor and Councillor allowances were increased to \$78,051 and \$25,225 per annum respectively, plus the

equivalent of the superannuation guarantee contribution of 9.5 percent.

In addition to the Mayor and Councillor allowances, Councillors are also provided with a number of resources and support to assist them in undertaking their duties. This includes office administration and support, professional development support, and equipment such as mobile phones, computers, tablets and printers. Councillors are also entitled to seek reimbursement for expenses such as travel and childcare.

In addition to the above, the Mayor also receives use of a fully maintained motor vehicle, a dedicated office, and support from an assistant. These expenses and resources are specified in the Provision of Resources and Support to Councillors policy, a copy of which is available from the Latrobe City Council website: www.latrobe.vic.gov.au

| COUNCILLORS* | TERM | ALLOWANCES | TRAVEL EXPENSES | CAR MILEAGE | INFORMATION AND COMMUNICATION TECHNOLOGY EXPENSES | CONFERENCE AND TRAINING EXPENSES | TOTAL |
|-----------------------|---|------------|-----------------|-------------|---|----------------------------------|--------|
| Cr Alan McFarlane | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 0 | 918 | 0 | 28,313 |
| Cr Brad Law | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 0 | 932 | 350 | 28,678 |
| Cr Dale Harriman | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 2,246 | 1,528 | 471 | 31,640 |
| Cr Dan Clancey | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 4,877 | 992 | 1,128 | 34,393 |
| Cr Darrell White | 1 Jul 17 to 30 Jun 18 Mayor: 3 Nov 17 to 30 Jun 18 | 65,489 | 219 | 2,459 | 2,748 | 1,703 | 72,617 |
| Cr Darren Howe | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 0 | 727 | 884 | 29,006 |
| Cr Graeme Middlemiss | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 0 | 848 | 442 | 28,685 |
| Cr Kellie O'Callaghan | 1 Jul 17 to 30 Jun 18 Mayor: 1 Jul 17 to 2 Nov 17 | 46,675 | 0 | 3,345 | 2,041 | 602 | 52,663 |
| Cr Sharon Gibson | 1 Jul 17 to 30 Jun 18 | 27,396 | 0 | 7,942 | 2,674 | 3,326 | 41,337 |

Statutory Information

(CONTINUED)

COUNCILLOR REPRESENTATION ON COMMITTEES

To assist Council in the delivery of a range of complex tasks, committees are constituted to undertake specific delegated functions (special committees) or to provide expert advice on specific topics or projects (advisory committees). These committees provide insight and information that Council may not otherwise receive either internally or externally. The role of a committee is to inform and enhance, not replace the role or responsibilities of Council and individual Councillors.

As at 30 June 2018, Latrobe City Council had 37 committees which Councillors are appointed to.

In addition, Councillors or Officers represent Council on 18 external committees.

These are as follows:

- Section 86 Special Committee (5)
- Statutory Committees (2)
- Advisory Committee (18)
- Other Committees and Groups (12)

These committees are governed under the Establishment of Council Committee Policy, which defines the types of committees that Council currently has.

Committees that have been formally abolished in the 2017/2018 year include:

- Gippsland Carbon Transition Committee abolished 21 August 2018
- Latrobe City Industry Forum Latrobe City Industry Forum abolished 21 August 2018
- Timber Umbrella Group abolished 21 August 2018

COUNCIL COMMITTEE MEMBERSHIP APPOINTMENTS FROM 4 DECEMBER 2017 TO 30 JUNE 2018

● Member ● Alternate

| COMMITTEE | CR DARRELL WHITE OAM | CR DAN CLANCEY | CR KELLIE O'CALLAGHAN | CR DALE HARRIMAN | CR DARREN HOWE | CR GRAEME MIDDLEMISS | CR ALAN MCFARLANE | CR BRAD LAW | CR SHARON GIBSON |
|---|----------------------|----------------|-----------------------|------------------|----------------|----------------------|-------------------|-------------|------------------|
| Latrobe Regional Airport Board | | | | | | ● | ● | | |
| The Yallourn North Community Housing Committee | | | | | | ● | ● | | |
| Morwell Centenary Rose Garden Advisory Committee | | | | | | ● | ● | | |
| Callignee and Traralgon South Sporting and Facility User Group Committee | | | | | ● | | | | |
| Traralgon Railway Reservoir Conservation Reserve Special Committee | | ● | | ● | ● | | | | |
| Mathison Park Advisory Committee | ● | | | | | | | | |
| Audit and Risk Committee (Pursuant to s.139 of the <i>Local Government Act 1989</i>) | ● | | | | | | ● | | ● |
| Municipal Emergency Management Planning Committee (Pursuant to s.21 of the <i>Emergency Management Act 1986</i>) | | | | | ● | | ● | ● | ● |
| Australia Day Advisory Committee | ● | | | | ● | | | | |
| Chief Executive Officer Recruitment, Performance And Remuneration Review Advisory Committee | ● | ● | | | | | ● | | ● |
| Churchill & District Community Hub Advisory Committee | ● | | | | | | | | |

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

**Statutory
Information**

(CONTINUED)

**COUNCIL COMMITTEE MEMBERSHIP (CONTINUED)
APPOINTMENTS FROM 4 DECEMBER 2017 TO 30 JUNE 2018**

● Member ● Alternate

| COMMITTEE | CR DARRELL WHITE OAM | CR DAN CLANCEY | CR KELLIE O'CALLAGHAN | CR DALE HARRIMAN | CR DARREN HOWE | CR GRAEME MIDDLEMISS | CR ALAN MCFARLANE | CR BRAD LAW | CR SHARON GIBSON |
|---|-------------------------|----------------|--------------------------|------------------|----------------|-------------------------|-------------------|-------------|------------------|
| Early Years Reference Committee | | ● | ● | | | | | | |
| Economic Development Advisory Committee | ● | ● | | | | | | | |
| Jumbuk and Yinnar South Timber Traffic Reference Group | ● | | | | | | ● | | |
| Latrobe City Cultural Diversity Advisory Committee | ● | ● | | | | | | | |
| Latrobe City Hyland Highway Municipal Landfill Consultative Committee | | | | ● | ● | | | | |
| Latrobe City International Relations Committee | ● | ● | | ● | | | | | ● |
| Latrobe Regional Gallery Advisory Committee | ● | ● | | | | | | | |
| Latrobe Tourism Advisory Board | ● | ● | | | ● | | | | |
| Link Editorial Committee | ● | ● | | | | | | | ● |
| Motorsports Complex Advisory Committee (previously called Morwell Motorsports Complex) | | | | | ● | ● | | | ● |
| Morwell Town Common Development Plan Project Control Group | | | | | | ● | ● | | |
| Rail Freight Working Group | | | | | | ● | | ● | ● |
| Social Planning for Wellbeing Committee/Municipal Public Health and Wellbeing Reference Group | | | ● | | | | | | |
| Traralgon CBD Safety Committee | | | | | ● | | | | |
| Traralgon Recreation Reserve and Showgrounds Advisory Committee | | | | ● | ● | | | | |
| Victory Park Precinct Advisory Committee | | ● | | ● | | | | | |
| War Memorials Advisory Committee | ● | | | | | | | | |
| Latrobe City Lake Narracan Advisory Committee | | | | | | | | ● | ● |
| Crinigan Bushland Reserve Committee of Management | | | | | | ● | | | |
| Edward Hunter Heritage Bush Reserve Committee of Management | | | | | | | | ● | ● |
| Ollerton Avenue Bushland Reserve Committee of Management | | | | | | | | ● | ● |
| Latrobe City Synthetic Sports Field User Group | ● | | | | | | | | |
| Latrobe Leisure Traralgon Sports Stadium User Group | | ● | | ● | | | | | |
| Moe Southside Community Precinct User Group | | | | | | | | ● | ● |
| Alliance of Councils for Rail Freight Development | | | | | | ● | | ● | |
| Gippsland Local Government Network (GLGN) | ● | | | | | | | | |

Statutory Information

(CONTINUED)

COUNCIL COMMITTEE MEMBERSHIP (CONTINUED) APPOINTMENTS FROM 4 DECEMBER 2017 TO 30 JUNE 2018

● Member ● Alternate

| COMMITTEE | CR DARRELL WHITE OAM | CR DAN CLANCEY | CR KELLIE O'CALLAGHAN | CR DALE HARRIMAN | CR DARREN HOWE | CR GRAEME MIDDLEMISS | CR ALAN MCFARLANE | CR BRAD LAW | CR SHARON GIBSON |
|---|----------------------|----------------|-----------------------|------------------|----------------|----------------------|-------------------|-------------|------------------|
| Gippsland Local Government Waste Forum | | | | ● | | ● | | | |
| Gippstown Reserve Committee of Management Inc | | | | | | | | ● | ● |
| Engie Hazelwood Environmental Review Committee | ● | | | | | | | | |
| Latrobe City Trust | ● | ● | | | | | | | |
| Loy Yang Power Environmental Review Committee | | ● | | | | | | | |
| Moe Yallourn Rail Trail Committee Inc | | | | | | | | ● | ● |
| Municipal Association of Victoria (MAV) | | | | ● | | | | | ● |
| Regional Aboriginal Justice Advisory Committee (RAJAC) | | | | | | | | | ● |
| Regional Cities Victoria | ● | | | | | | | | |
| Roadsafe Gippsland Community Road Safety Council | | | | | ● | | ● | | |
| South East Australian Transport Strategy (SEATS) | | | | | | ● | | ● | |
| Timber Towns Victoria | | | | ● | | | | | |
| Victorian Local Governance Association (VLGA) | ● | ● | | | | | | | |
| Latrobe Valley Mine Rehabilitation Advisory Committee | | | | | | ● | | | |
| Hazelwood Mine Fire Health Study Community Advisory Committee | ● | | ● | | | | | | |
| National Timber Councils Association | | | | ● | | | | | ● |

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Statutory Information

(CONTINUED)

COUNCIL COMMITTEE MEMBERSHIP (CONTINUED) APPOINTMENTS FROM 1 JULY 2017 TO 4 DECEMBER 2017

● Member ● Alternate

| COMMITTEE | CR KELLIE O'CALLAGHAN | CR GRAEME MIDDLEMISS | CR DARRELL WHITE | CR SHARON GIBSON | CR DALE HARRIMAN | CR ALAN MCFARLANE | CR DARREN HOWE | CR BRAD LAW | CR DAN CLANCEY |
|---|-----------------------|----------------------|------------------|------------------|------------------|-------------------|----------------|-------------|----------------|
| Alliance of Councils for Rail Freight Development | | ● | | | | | | ● | |
| Audit and Risk Committee (Pursuant to s.139 of the <i>Local Government Act 1989</i>) | | | ● | ● | | ● | | | |
| Australia Day Advisory Committee | | | ● | | | | ● | | |
| Callignee and Traralgon South Sporting and Facility User Group Committee | | | | | | | ● | | |
| Chief Executive Officer Recruitment, Performance And Remuneration Review Advisory Committee | ● | ● | | ● | | | | | ● |
| Churchill & District Community Hub Advisory Committee | | | ● | | | | | | |
| Crinigan Bushland Reserve Committee of Management | | ● | | | | | | | |
| Early Years Reference Committee | ● | | | | | | | | ● |
| Edward Hunter Heritage Bush Reserve Committee of Management | | | | ● | | | | ● | |
| Friends of the Traralgon Railway Reservoir Conservation Reserve Committee | | | | | ● | | ● | | ● |
| Gippsland Carbon Transition Committee | ● | | | | | | | | |
| Gippsland Local Government Network (GLGN) | ● | | | | | | | | |
| Gippsland Local Government Waste Forum | | ● | | | ● | | | | |
| Gippsdown Reserve Committee of Management Inc. (by invitation) | | | | ● | | | | ● | |
| Hazelwood Mine Fire Health Study Community Advisory Committee | ● | | | | | | | | |
| Engie Hazelwood Environmental Review Committee | | | ● | | | | | | |
| Jumbuk and Yinnar South Timber Traffic Reference Group. | | | ● | | | ● | | | |
| Latrobe City Cultural Diversity Advisory Committee | | | ● | | | | | | ● |
| Latrobe City Hyland Highway Municipal Landfill Consultative | | | | | ● | | ● | | |
| Latrobe City Industry Forum | ● | ● | | | | | | ● | |
| Latrobe City International Relations Committee | | | ● | ● | ● | | | | ● |
| Latrobe City Lake Narracan User Group | | | | ● | | | | ● | |
| Latrobe City Synthetic Sports Field User Group | | | ● | | | | | | |
| Latrobe City Trust | ● | ● | | | | | | | |
| Latrobe Leisure Traralgon Sports Stadium User Group | | | | | ● | | | | ● |
| Latrobe Regional Airport Board | | ● | | | | ● | | | |

Statutory Information

(CONTINUED)

COUNCIL COMMITTEE MEMBERSHIP (CONTINUED) APPOINTMENTS FROM 1 JULY 2017 TO 4 DECEMBER 2017

● Member ● Alternate

| COMMITTEE | CR KELLIE O'CALLAGHAN | CR GRAEME MIDDLEMISS | CR DARRELL WHITE | CR SHARON GIBSON | CR DALE HARRIMAN | CR ALAN MCFARLANE | CR DARREN HOWE | CR BRAD LAW | CR DAN CLANCEY |
|--|-----------------------|----------------------|------------------|------------------|------------------|-------------------|----------------|-------------|----------------|
| Latrobe Regional Gallery Advisory Committee | | | ● | | | | | | ● |
| Latrobe Tourism Advisory Board | | | ● | | | | ● | | ● |
| Latrobe Valley Mine Rehabilitation Advisory Committee | | ● | | | | | | | |
| Link Editorial Committee | ● | | | ● | | | | | ● |
| Loy Yang Power Environmental Review Committee | ● | | | | | | | | ● |
| Mathison Park Advisory Committee | | | ● | | | | | | |
| Moe Southside Community Precinct User Group Committee | | | | ● | | | | ● | |
| Moe Yallourn Rail Trail Committee Inc. | | | | ● | | | | ● | |
| Morwell Centenary Rose Garden Advisory Committee | | ● | | | | ● | | | |
| Morwell Town Common Development Plan Project Control Group | | ● | | | | ● | | | |
| Municipal Association of Victoria (MAV) | | | | ● | ● | | | | |
| Municipal Emergency Management Planning Committee (Pursuant to sect. 21 of the <i>Emergency Management Act 1986</i>) | | | | ● | | ● | ● | ● | |
| National Timber Councils Association | | | | | ● | | | | |
| Ollerton Avenue Bushland Reserve Committee of Management | | | | ● | | | | ● | |
| Rail Freight Working Group | | ● | | ● | | | | ● | |
| Regional Aboriginal Justice Advisory Committee (RAJAC) | | | | ● | | | | | |
| Regional Cities Victoria | ● | | | | | | | | |
| Roadsafe Gippsland Community Road Safety Council | | | | | | ● | ● | | |
| Social Planning for Wellbeing Committee/Municipal Public Health and Wellbeing Reference Group | ● | | | | | | | | |
| South East Australian Transport Strategy (SEATS) | | ● | | | | | | ● | |
| Timber Towns Victoria | | | | ● | ● | | | | |
| Timber Umbrella Group | ● | | | ● | ● | | | | |
| Traralgon CBD Safety Committee | | | | | | | ● | | |
| Traralgon Recreation Reserve and Showgrounds User Group Committee | | | | | ● | | ● | | |
| Victorian Local Governance Association (VLGA) | ● | ● | | | | | | | |
| Victory Park Precinct Advisory Committee | | | | | ● | | | | ● |
| War Memorials Advisory Committee | ● | | | | | | | | |
| Yallourn North Community Housing Committee | | ● | | | | ● | | | |



COUNCIL DELEGATIONS

The elected Council's powers under the *Local Government Act 1989* or any other act may be delegated by an instrument of delegation to a Special Committee of Council, to the Chief Executive Officer or to an individual Council Officer. Council generally delegates powers, duties and functions to the Chief Executive Officer who is empowered to further delegate some or all of those powers to other officers. Delegation is a vital element in assisting Council administration to function effectively and efficiently.

Delegation facilitates the achievement of good governance for the community by empowering appropriate members of staff or committees to make decisions on behalf of Council. When enacting on a delegated power, the staff member or committee is acting on behalf of Council.

The delegation document also provides that only certain officers are allowed to make decisions of a financial nature, and the limit of their authority is carefully specified to ensure prudent financial management. Decisions under delegations are sometimes restricted by limitations imposed by Council or the Chief Executive Officer, including numerous requirements to report back on the decisions that have been made under that delegation. Decisions made under a delegation must always adhere to existing Council policy or directions.

Council delegations are reviewed and updated twice a year using the Maddocks Authorisation and Delegation service.

Council is required to review all delegations within 12 months of a Council election. Council completed this review on 29 May 2017.

ASSEMBLY OF COUNCILLORS

Any scheduled meeting between five or more Councillors and one Council staff member, or an advisory committee meeting with one Councillor present, is considered an 'Assembly of Councillors' under the *Local Government Act 1989*. A record of each 'Assembly of Councillors' is tabled at an Ordinary Council meeting.



Above: Former Prime Minister Malcolm Turnbull announced funding for the Hydrogen Energy Supply Chain in April 2018

Bottom: Flags at Latrobe City Corporate Headquarters, Morwell

Information Management

FREEDOM OF INFORMATION

Where documents are not available for public inspection or available on Latrobe City Council's website, then access to them may be sought pursuant to the *Freedom of Information Act 1982* (FOI Act). The FOI Act grants the public the right to seek access to all Latrobe City Council documents. This general right of access is limited by a number of exceptions and exemptions, which have been prescribed to protect public interests and the private and business affairs of people about whom Latrobe City Council holds information. Local governments are required to publish information about the documents they hold, particularly those which affect members of the public in their dealings with Council. Each person has a legally enforceable right to access information, limited only by exemptions necessary for the protection of the public interest and the private and business affairs of persons from whom information is collected by Latrobe City Council. People may request inaccurate, incomplete, out-of-date or misleading information in their personal records be amended. People may appeal against a decision not to give access to information or not to amend a personal record.

Latrobe City Council received 21 valid requests to access information under the *Freedom of Information Act 1982*, in the 2017/18 financial year. This

was a decrease of 3 compared to the previous year. Freedom of Information requests must be made in writing and accompanied with a \$28.90 application fee. A total of 13 requests were made under the hardship provisions of the act and no fee was charged. Requests for access to information should be addressed to:

Freedom of Information Officer
Latrobe City Council
PO Box 264
MORWELL VIC 3840

In accordance with the *Freedom of Information Act 1982*, Latrobe City Council must decide if this information will be provided within 30 days. Of the 21 valid requests received, all were processed within the statutory timeframe.

Information Privacy

Latrobe City Council is obliged to ensure the personal privacy of all residents and ratepayers in accordance with the *Privacy & Data Protection Act 2014* and *Health Records Act 2001*.

Latrobe City Council will only collect, use or disclose personal information where it is necessary to perform Latrobe City Council functions or where required by law. Latrobe City Council has an adopted Privacy Policy which can be view on Council's website.

PROTECTED DISCLOSURES

The *Protected Disclosure Act 2012* (the Act) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. The Act relates to behaviours and actions of Councillors and Council Officers.

Procedures on how to make a disclosure are available on Council's website.

Latrobe City Council supports the aims and objectives of the Act and has implemented the Protected Disclosure Procedure in accordance with the Act.

During 2017/18 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

**DOCUMENTS FOR
PUBLIC INSPECTION**

Under legislation, certain information held within Latrobe City Council is available for viewing by the public during normal office hours or by prior arrangement at Latrobe City Council's Corporate Headquarters, 141 Commercial Road, Morwell.

Summarised below is a list of documents that are available for public inspection in accordance with section 11 of the Local Government (General) Regulations 2004.

In accordance with section 222 of the *Local Government Act 1989*, inspection of these documents can be arranged by phoning Latrobe City Council on 1300 367 700.

- Details of current allowances fixed for the Mayor and Councillors under section 74 of the *Local Government Act 1989*
- Details of overseas or interstate travel taken in an official capacity by Councillors or Council officers in the previous 12 months (with the exception of interstate travel by land for less than three days)
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted a return of interest during the financial year and the dates the returns were submitted
- Agendas and minutes for Ordinary and Special Council Meetings held in the previous 12 months, kept under section 93 of the Act, except where such minutes relate to parts of meetings which have been closed to members of the public under section 89 of the *Local Government Act 1989*

- A list of Special Committees established by Latrobe City Council and the purpose for which each committee was established
- A list of all Special Committees established by Latrobe City Council which were abolished or ceased to function during the financial year
- Minutes of Special Committees established under section 86 of the *Local Government Act 1989* 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
- A register of delegations made pursuant to the Act
- Submissions received during the previous 12 months in accordance with the process outlined in Section 223 of the Act
- Details of property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the council as lessor or lessee
- Register of authorised officers appointed under section 224 of the *Local Government Act 1989*
- A list of donations and grants made by Latrobe City Council during the financial year

**OTHER INFORMATION
AVAILABLE TO THE PUBLIC**

- The Councillor Reimbursement Policy (known as Provision of Resources and Support to Councillors Policy)
 - Councillor Code of Conduct
 - Records of Assembly of Councillors
 - Register of Interests
 - Council policies
 - Local Laws 1, 2 and 3
 - The Council Plan
 - The Strategic Resource Plan
 - The Annual Budget
 - The Annual Report including the Auditor's Report
 - All adopted Council policies
- A number of these documents are also available on Latrobe City Council's website.

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

CONTRACTS

A list of contracts valued at \$150,000 or more for services, or \$200,000 or more for works or more of a kind specified in section 186(5) and (c) of the *Local Government Act 1989* is listed below.

Contracts

- Moe Landfill Rehabilitation - Construction of Landfill Cap and Leachate Pond
- Construction of a Sports Pavilion at Latrobe Synthetic Sports Field, Churchill
- Provision of Carpentry Services
- Traralgon to Morwell Shared Pathway - Stage 2a - Crinigan Rd to Alexanders Rd at Mrowell
- Latrobe Leisure Stadiums Evaporative Cooling
- Installation of Underground Pipeline at Hyland Highway Landfill
- Provision of Loan Facility
- Traralgon Service Centre Amenities Upgrade
- Reconstruction of Dunbar Avenue at Morwell
- Road and Drainage Reconstruction at Dawn and Laurence Grove at Traralgon
- Traralgon to Morwell Shared Path - Stage 1C - Kernot Lake Precinct
- Traralgon Tennis Complex Re-Fencing
- Rehabilitation of Hampton Street at Moe
- Design and Construct - Sports Lighting at Harold Preston Reserve
- Traralgon to Morwell Shared Path - Stage 5 - Kay Street from Town Boundary to Raven Court
- A Panel of Probity Auditors and Advisors
- Provision of Maintenance and Supervision of the Lake Narracan Caravan Park and Foreshore Reserve
- Provision of Fire Prevention Slashing and Hazard Removal
- Provision of Consulting Services for Relief Municipal Building Surveyor
- Service of Environmental Auditor for the construction of Hyland Highway Landfill Cell 5
- Provision of Carpentry Services
- Provision of CCTV Services
- Provision of Landscaping Services
- Reconstruction of Roundabout at Cross's Road, Traralgon

DEVELOPMENT CONTRIBUTIONS PLAN

From 2017/2018 changes to sections 46GM and 46QM of the Planning and Environment Act 1987 require Councils to provide a report on development contributions.

Total DCP levies received in 2017/2018

| DCP NAME AND YEAR APPROVED | LEVIES RECEIVED IN 2017/2018 FINANCIAL YEAR (\$) |
|----------------------------|--|
| N/A | N/A |
| Total | |

DCP land, works, services or facilities accepted as works-in-kind in 2017/2018

| DCP NAME AND YEAR APPROVED | PROJECT ID | PROJECT DESCRIPTION | ITEM PURPOSE | PROJECT VALUE (\$) |
|----------------------------|------------|---------------------|--------------|--------------------|
| N/A | N/A | N/A | N/A | N/A |
| Total | | | | |

Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

| DCP NAME AND YEAR APPROVED | TOTAL LEVIES RECEIVED (\$) | TOTAL LEVIES EXPENDED (\$) | TOTAL WORKS-IN-KIND ACCEPTED (\$) | TOTAL DCP CONTRIBUTIONS RECEIVED (LEVIES AND WORKS-IN-KIND) (\$) |
|----------------------------|----------------------------|----------------------------|-----------------------------------|--|
| N/A | N/A | N/A | N/A | N/A |
| Total | | | | |

Land, works, services or facilities delivered in 2017/2018 from DCP levies collected

| PROJECT DESCRIPTION | PROJECT ID | DCP NAME AND YEAR APPROVED | DCP FUND EXPENDED (\$) | WORKS-IN-KIND ACCEPTED (\$) | COUNCIL'S CONTRIBUTION (\$) | OTHER CONTRIBUTIONS (\$) | TOTAL PROJECT EXPENDITURE (\$) | PERCENTAGE OF ITEM DELIVERED |
|-------------------------------|------------|----------------------------|------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|------------------------------|
| Relocation of Hovercraft Club | CF-03 | Lake Narracan DCP 2015 | \$53,217.30 | N/A | N/A | N/A | \$53,217.30 | 100% |
| Total | | | \$53,217.30 | | | | \$53,217.30 | |

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Local Government Performance Reporting Framework— Governance and Management Checklist

The checklist provides an indication of Council's governance frameworks including community engagement, planning, monitoring and decision making.

The completion of the checklist is a legislative requirement under the *Local Government Act 1989*.

| THEME | CHECKLIST ITEM | DEFINITIONS | YES / NO | DATE OF OPERATION OF POLICY AND EXPIRY DATE / STRATEGY | IF NO POLICY/ STRATEGY - INSERT EXPLANATION |
|----------------------------------|---------------------------------|---|----------|--|--|
| 1 Community engagement | Community engagement policy | Policy outlining Council's commitment to engaging with the community on matters of public interest | Yes | Community Engagement Policy Date of Operation: 14 September 2015 | |
| | Community engagement guidelines | Guidelines to assist staff to determine when and how to engage with the community | Yes | Community Engagement Strategy 2015-2019 Date of Operation: 14 September 2015 Community Engagement Action Plan 2015-2019 Date of Operation: 14 September 2015 | |
| 2 Planning | Strategic Resource Plan | Plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years | Yes | Strategic Resources Plan 2016-2020 Adopted in accordance with Section 126 of the Act. Date of operation: 6 June 2016 | |
| | Annual budget | Plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required | Yes | Annual Budget 2017/2018 Adopted in accordance with Section 130 of the Act. Date of operation: 19 June 2017 | |
| | Asset management plans | Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years | Yes | Road Asset Management plan Adopted: 2 October 2017 Bridges and Major Culverts Asset Management plan Adopted: 4 June 2018 Carpark Asset Management plan Adopted: 4 June 2018 Building Asset Management plan Adopted: 4 June 2018 | Road and Drainage Asset management plan complete. Buildings Bridges and Car Parks scheduled for June 2018. |
| | Rating strategy | Strategy setting out the rating structure of council to levy rates and charges | Yes | Debtor Control Policy Part of the 10 year financial plan Date of operation: 19 June 2017 | |

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

| THEME | CHECKLIST ITEM | DEFINITIONS | YES / NO | DATE OF OPERATION OF POLICY AND EXPIRY DATE / STRATEGY | IF NO POLICY/ STRATEGY - INSERT EXPLANATION |
|--|-------------------------------------|--|----------|--|---|
| 2 Planning <i>(Continued)</i> | Risk policy | Policy outlining Council's commitment and approach to minimising the risks to Council's operations | Yes | Latrobe City Council Risk Policy Updated and Adopted: 1 August 2016 | |
| | Fraud policy | Policy outlining Council's commitment and approach to minimising the risk of fraud | Yes | Latrobe City Council Fraud Policy Updated and Adopted: 27 March 2017 | |
| | Municipal emergency management plan | Plan under Section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery | Yes | Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act 1986</i> Latrobe City Council Emergency Management Plan Date of operation: 9 September 2015 | |
| | Procurement policy | Policy under Section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works | Yes | Prepared and approved in accordance with Section 186A of the <i>Local Government Act 1989</i> Latrobe City Council Procurement Policy Date of operation: 3 April 2018 | |
| | Business continuity plan | Plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster | Yes | Latrobe City Council Business Continuity Plan Date of operation: 30 June 2011 with minor review annually since. Full review and update currently underway | |
| | Disaster recovery plan | Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster | Yes | Strategy Disaster Recovery Plan Date of operation: 1 July 2013 We have a DR Plan that is reviewed regularly and was last tested 2013 – there is another test scheduled in the 15/16 year. There is no such policy around DR at present | |
| 3 Monitoring | Risk management framework | Framework outlining Council's approach to managing risks to the Council's operations | Yes | Risk Management Framework Date of operation: 1 August 2016 | |
| | Audit committee | Advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements | Yes | Established in accordance with Section 139 of the act Audit Committee Charter Date of operation: 18 April 2016 | |

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Local Government Performance Reporting Framework— Governance and Management Checklist

(CONTINUED)

| THEME | CHECKLIST ITEM | DEFINITIONS | YES / NO | DATE OF OPERATION OF POLICY AND EXPIRY DATE / STRATEGY | IF NO POLICY/ STRATEGY - INSERT EXPLANATION |
|-----------------------------|---------------------------------|---|----------|--|---|
| 5 Reporting | Internal audit | Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls | Yes | Internal Audit Plan Date of operation: revised plan adopted by the Audit and Risk Committee on 2 June 2016. Pitcher Partners appointed as our current provider | |
| | Performance reporting framework | A set of indicators measuring financial and non-financial performance including the performance indicators referred to in section 131 of the Act | Yes | Integrated Planning Framework Date of operation: 14 December 2011 | |
| | Council plan reporting | Report reviewing the performance of the Council against the Council Plan including the results in relation to the strategic indicators for the first six months of the financial year | Yes | Integrated Planning Framework Date of operation: 14 December 2011 | |
| | Financial reporting | Quarterly statements to Council under Section 138(1) of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure | Yes | Statements presented to Council in accordance with Section 138(1) of the Act Finance Report Quarterly statements are sent out to councillors every quarter of the financial year | |
| | Risk reporting | Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies | Yes | 1 December 2016: 12 Month Risk Management Action Plan and Strategic Risk Register Update 9 March 2017: Risk Management Activity Update 1 May 2017: Risk Management Activity Update | |
| | Performance reporting | Six-monthly reports of indicators measuring results against financial and non-financial performance including the performance indicators referred to in Section 131 of the Act | Yes | Quarterly performance reports are presented to Council Date of operation: Meeting of Council following the end of each quarter | |
| | Annual report | Annual report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements | Yes | Considered at meeting of the Council in accordance with Section 134 of the Act Annual report is presented to the public annually Date of operation: 1 October annually | |
| 6 Decision-making | Councillor Code of Conduct | Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by all Councillors | Yes | Reviewed in accordance with Section 76C of the Act Councillor Code of Conduct Date of operation: 13 February 2017 | |
| | Delegations | A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff | Yes | S5 Delegation to the Chief Executive Officer (CEO) Date of Adoption by Council: 20 April 2018 | |
| | Meeting procedures | A local law governing the conduct of meetings of Council and special committees | Yes | Meeting procedures local law made in accordance with section 91(1) of the act Local Law 1 Date of operation: 20 March 2018 | |

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Latrobe City Council



*View of Corporate HQ
downstairs kitchen*

GLOSSARY

Glossary

Latrobe City Council's adopted strategies and plans are available on Latrobe City Council's website www.latrobe.vic.gov.au/CouncilDocuments

Advisory Committee

Specialist appointees who form a committee that provides advice to Latrobe City Council on matters relating to the delivery of strategies, services and activities.

Advocacy

To provide support to a cause or to make public recommendation.

Annual Action

Significant actions for Latrobe City Council to be delivered during the next year which are linked to a strategic direction of the Council Plan. Annual Actions are strategic in nature e.g. strategy/plan, major capital projects, significant community interest, key risk control, council resolutions or legislative requirements.

Annual Business Plan

The Annual Business Plan, together with the Annual Budget, is Latrobe City Council's short term planning document. The Annual Business Plan consists of actions which support the delivery of the Council Plan and Organisational Excellence at Latrobe. The Annual Budget identifies the financial and non-financial resources required to support the Plan.

Annual Report

The Annual Report is an annual reporting tool to provide an update to Latrobe City Council stakeholders and the Minister for Local Government on how Latrobe City Council has achieved against commitments made in the Council Plan and Strategic Resources Plan. In accordance with section 131 of the *Local Government Act 1989*, it includes a report of Latrobe City Council's operations, audited standard

and financial statements, performance statement (section 132) and a report on the performance statement (section 133).

Asset

Property that is owned by Latrobe City Council.

Best Value principles

Contained in the *Local Government Act 1989*, the six principles must be observed by all Victorian councils. The principles aim to enable councils to determine the most effective means of providing a service to the community.

Building Act 1993

The primary purpose of this Victorian Government legislation is the regulation of building work and building standards, accreditation of building products and constructions methods and the provision of building and occupancy permit systems and dispute resolution mechanisms.

Capital Works

Projects undertaken to either renew, upgrade or construct assets owned by Latrobe City Council.

Community Grants

Latrobe City Council allocates a sum of money for the Community Grants Program as part of its annual budget process. This funding is shared between various non-profit community groups and organisations who apply for grants under a range of categories.

Council

The collective group of nine Councillors who set the strategic direction for Latrobe City Council, monitor organisational performance, liaise with stakeholders and ensure operational compliance.

Council Plan

A rolling plan that contains four-year strategies and indicators of outcomes, together with a Strategic Resources Plan that contributes to achieving the key objectives of the Latrobe community vision.

Councillor

A member of the community elected in accordance with the *Local Government Act 1989* to represent the residents of a ward within the municipality as a member of Council.

Charter of Human Rights and Responsibilities Act 2006

Legislation created to protect and promote human rights. It sets out freedoms, rights and responsibilities.

Development Plan

A plan that aims to coordinate the layout of new subdivisions and is particularly useful to ensure the integrated development of land where there are several properties in separate ownership. The plan may also provide certainty about the nature and staging of new subdivision developments over a period of time. A development plan can provide direction and coordination of infrastructure networks, public open space and housing types.

Disability Action Plan

A plan developed by Latrobe City Council which ensures the needs of people with a disability are included in all aspects of Latrobe City Council's services and infrastructure.

Feasibility Study

The evaluation or analysis of the potential impact of a proposed project.

| | | |
|---|---|---|
| <p>Freedom of Information Act 1982 The purpose of this act is to give members of the public rights of access to official documents of the Government, the Commonwealth and of its agencies.</p> | <p>Landfill Engineered containment facility licensed by the Environment Protection Authority to accept specific solid waste.</p> | <p>survey tracks residents' views on Council's performance on nine service areas and four governance measures, showing progress, improvements and areas for improvement.</p> |
| <p>Gippsland Local Government Network An alliance of the six municipal Councils located in Gippsland. The Mayor and Chief Executive Officer of each council meet regularly, with the primary objective to work collaboratively on a range of issues and projects of mutual interest.</p> | <p>Latrobe 2026: The Community Vision for Latrobe City The Community Vision was generated after identifying three broad concepts shared by the Latrobe City community; Sustainability, Liveability and Leadership. A further nine strategic objectives were identified to take Latrobe City forward; Economy, Natural Environment, Built Environment, Our Community, Culture, Recreation, Governance, Advocacy and Partnerships, and Regulation and Accountability. Development of the community vision was facilitated by Latrobe City Council in consultation with many organisations, agencies, groups and individuals. The Latrobe 2026 Community Vision is an important long term strategic document for Latrobe City Council which provides the principal direction to the Council Plan.</p> | <p>Local Government Performance Reporting Framework A set of State Government mandated key performance indicators common to all local councils measuring their performance.</p> |
| <p>Gippsland Logistics Precinct A Latrobe City Council-owned 64 hectare precinct adjacent to the existing rail line in Morwell to be developed as a centre for the efficient and cost effective movement of freight to and from the Gippsland region.</p> | <p>Latrobe Planning Scheme The planning scheme that sets out policies and requirements for the use, development and protection of land located in Latrobe City.</p> | <p>Local Laws Laws under the jurisdiction of Latrobe City Council and enforced by Latrobe City Council employees and/or Victoria Police.</p> |
| <p>Governance How Council operates as a decision-making body.</p> | <p>Local Government Act 1989 This Victorian Government legislation outlines the intention for councils to provide a democratic and efficient system of local government in Victoria. It also gives councils the power to meet the needs of their communities, and provides the basis for an accountable system of governance in Victoria.</p> | <p>Local Planning Policy Framework The framework provides the strategic basis for land use planning as controlled by the Latrobe Planning Scheme. The framework consists of the Municipal Strategic Statement together with the Local Planning Policy.</p> |
| <p>Indicators Performance measures that provide a range of economic, environmental and social indicators, identifying the extent to which an objective has been achieved.</p> | <p>Local Government Community Satisfaction Survey Undertaken by a consulting group on behalf on the Department of Planning and Community Development. The</p> | <p>Major Initiative Most significant actions for delivery over the current twelve month period and are linked to a strategic direction of the Council Plan.</p> |
| <p>Indigenous Originating in a particular geographic region or environment and native to the area and/or relating to Aboriginal and Torres Strait Islander people.</p> | | <p>Main Town Structure Plans Plans developed by Latrobe City Council that identify areas where land is earmarked for future residential and industrial expansion in and around Latrobe City's main towns, based on predictions of future population growth for the municipality.</p> |
| <p>Information Privacy Act 2001 The purpose of this act is to create a scheme for the responsible collection and handling of personal information across the Victorian public sector.</p> | | <p>Mission The overall corporate philosophy that articulates how the Latrobe community vision will be achieved.</p> |
| <p>Infrastructure Basic community facilities such as roads, drains, footpaths and public buildings, etc.</p> | | <p>Municipality A geographical area that is delineated for the purpose of Local Government.</p> |

GLOSSARY

Glossary (CONTINUED)**Organisational Excellence Strategy**

A strategy developed by Latrobe City Council that relates to how the organisation functions internally, and focuses on how Latrobe City Council can improve its performance at organisational, team and individual levels.

Performance Indicator

Measures used to monitor the performance of Latrobe City Council in achieving the objectives of the Council Plan.

Plan

Focused and structured detail of action to be undertaken, involving a series of specific steps, to implement the objectives and goals of an overarching strategic direction.

Planning and Environment Act 1987

This Victorian Government legislation establishes a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians.

Policy

A set of principles intended to influence and provide direction for council decisions, actions, programs and activities.

Public Health and Wellbeing Act 2008

This Victorian Government legislation replaces the previous Health Act 1958. It aims to achieve the highest attainable standard of public health and well-being in Victoria, through the update and modernisation of Victoria's public health framework.

Quarterly Report

A three-monthly report to Councillors on how the organisation is progressing against the commitments made in the Council Plan as well as operational, financial and statutory information.

Regional Cities Victoria

An organisation representing the 10 largest provincial centres in Victoria, comprising the municipalities of Ballarat, Bendigo, Geelong, Horsham, Latrobe City, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga. The Mayor and Chief Executive Officer of each council meet regularly, with the primary objective to expand the population of regional Victoria through promoting business and government investment and skilled migration to regional centres.

Service

A service identified by Latrobe City Council to be provided to the community during the four-year period of the Council Plan.

Sister City

An agreement between two cities in different countries that share cultural contact as a means of promoting cross-cultural awareness and interaction. Latrobe City has sister city affiliations with China and Japan.

Statutory Body

Statutory bodies (or statutory authorities) are organisations established under an act of the Victorian Parliament or Australian Parliament for a public purpose.

Strategic Direction

Under each strategic objective of the Council Plan are Strategic Directions. Strategic Directions further detail the key areas Latrobe City Council will focus on achieving over the next four years.

Strategic Resources Plan

A component of the Latrobe City Council Plan and is prepared in accordance with section 126 of the *Local Government Act 1989*. It identifies the financial and non-financial resources required by Latrobe City Council over the next four years to implement the Council Plan.

Strategy

A long term systematic plan of action to achieve defined outcomes in an area of council activity or responsibility. A series of objectives is set out to meet these goals and specific actions are determined to meet these objectives.

Structure Plans

A document that provides direction for planning and development of a defined precinct. Structure plans are subject to community consultation and may be incorporated into the Latrobe Planning Scheme.

Values

Represent underlying attitudes and beliefs within the organisation that are demonstrated through organisational practices, processes, and behaviours.

Victorian Auditor General's Office

A public sector audit organisation providing auditing services to the Victorian Parliament and Victorian public sector agencies and authorities.

Vision

A statement of direction that defines the aspirations of Latrobe City Council, and serves to guide all organisational objectives.

Ward

An area of the municipality identified for the purpose of representation. Latrobe City Council has four wards with a total of nine councillors.

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*Opposite: Baseball Victoria State Winter
Championships held in Morwell for the first time
Back Cover: Morwell Centenary Rose Garden*

MEETING CLOSED TO THE PUBLIC

19. MEETING CLOSED TO THE PUBLIC

Section 89(2) of the *Local Government Act 1989* enables the Council to close the meeting to the public if the meeting is discussing any of the following:

- (a) Personnel matters;
- (b) The personal hardship of any resident or ratepayer;
- (c) Industrial matters;
- (d) Contractual matters;
- (e) Proposed developments;
- (f) Legal advice;
- (g) Matters affecting the security of Council property;
- (h) Any other matter which the Council or Special Committee considers would prejudice the Council or any person;
- (i) A resolution to close the meeting to members of the public.

MOTION

Moved: Cr Gibson

Seconded: Cr Howe

That Council closes this Ordinary Meeting of Council to the public to consider the following items which are of a confidential nature, pursuant to section 89(2) of the *Local Government Act 1989* for the reasons indicated:

- 19.1 Gippsland Regional Aquatic Centre and Traralgon Basketball Stadium Project Update**
Agenda item 19.1 *Gippsland Regional Aquatic Centre and Traralgon Basketball Stadium Project Update* is designated as confidential as it relates to contractual matters (s89 2d)

CARRIED UNANIMOUSLY

The Meeting closed to the public at 5.47pm.

The meeting re-opened to the public at 6.34pm.

There being no further business the meeting was declared closed at 6.34pm.

I certify that these minutes have been confirmed.

Mayor: _____

Date: _____