



LATROBE CITY COUNCIL

MINUTES FOR THE SPECIAL COUNCIL MEETING

HELD IN NAMBUR WARIGA MEETING ROOM
CORPORATE HEADQUARTERS, MORWELL
AT 6.00PM ON
21 OCTOBER 2019

SCM539

PRESENT:

Councillors:	Cr Graeme Middlemiss, Mayor	Central Ward
	Cr Darren Howe, Deputy Mayor	East Ward
	Cr Kellie O'Callaghan	East Ward
	Cr Dan Clancey	East Ward
	Cr Alan McFarlane	Central Ward
	Cr Darrell White OAM	South Ward
	Cr Brad Law	West Ward
	Cr Sharon Gibson	West Ward
Apologies:	Cr Dale Harriman	East Ward
Officers:	Steven Piasente	Chief Executive Officer
	Ronda Bruerton	Manager Safe Communities
	Gail Gatt	General Manager Regional City Growth & Investment
	Greg Drumm	General Manager Organisational Performance
	Larry Sengstock	General Manager Assets & Presentation
	Hanna Steevens	Coordinator Governance
	Kieran Stewart	Governance Officer

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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

Cr Dale Harriman provided his apologies for this meeting.

4. DECLARATION OF INTERESTS

Nil.

5. PUBLIC PARTICIPATION TIME

Public Speakers

There are no public speakers.

CHIEF EXECUTIVE OFFICE

6. CHIEF EXECUTIVE OFFICE

Agenda Item: 6.1

Agenda Item: Presentation of the 2018/19 Annual Report

Sponsor: Chief Executive Office

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

Status: For Information

MOTION

Moved: Cr White

Seconded: Cr McFarlane

That Council receives and notes the Latrobe City Council Annual Report 2018/19, in accordance with Section 134 of the *Local Government Act 1989*.

CARRIED UNANIMOUSLY

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 2018/19 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*, 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 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 Thursday 3 October 2019, inviting the public to inspect Latrobe City Council's Annual Report and informing the public that the Annual Report would be presented at a Special Council Meeting on 21 October 2019. 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 2018/19, as presented to the Minister for Local Government, is attached.

Background:

The 2018/19 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 2018/19 Annual Report to be presented to and noted by Council within one month of being submitted to the Minister.

Issues:

Strategy Implications

The 2018/19 Annual Report details the performance indicators of the organisation based on the 2017-21 Council plan objectives.

Communication

Hard copies of the 2018/19 Annual Report will be available for viewing at Council's Service Centres and via the Latrobe City Council 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*, the *Local Government Amendment (Performance Reporting and Accountability) Act 2004*, 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 2018/19 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 locally.

Consultation

Council's Audit Committee reviewed the financial, standard and performance statements of Latrobe City Council's Annual Report 2018/19.

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

Other

Not Applicable

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*.

Supporting Documents:

Nil

Attachments

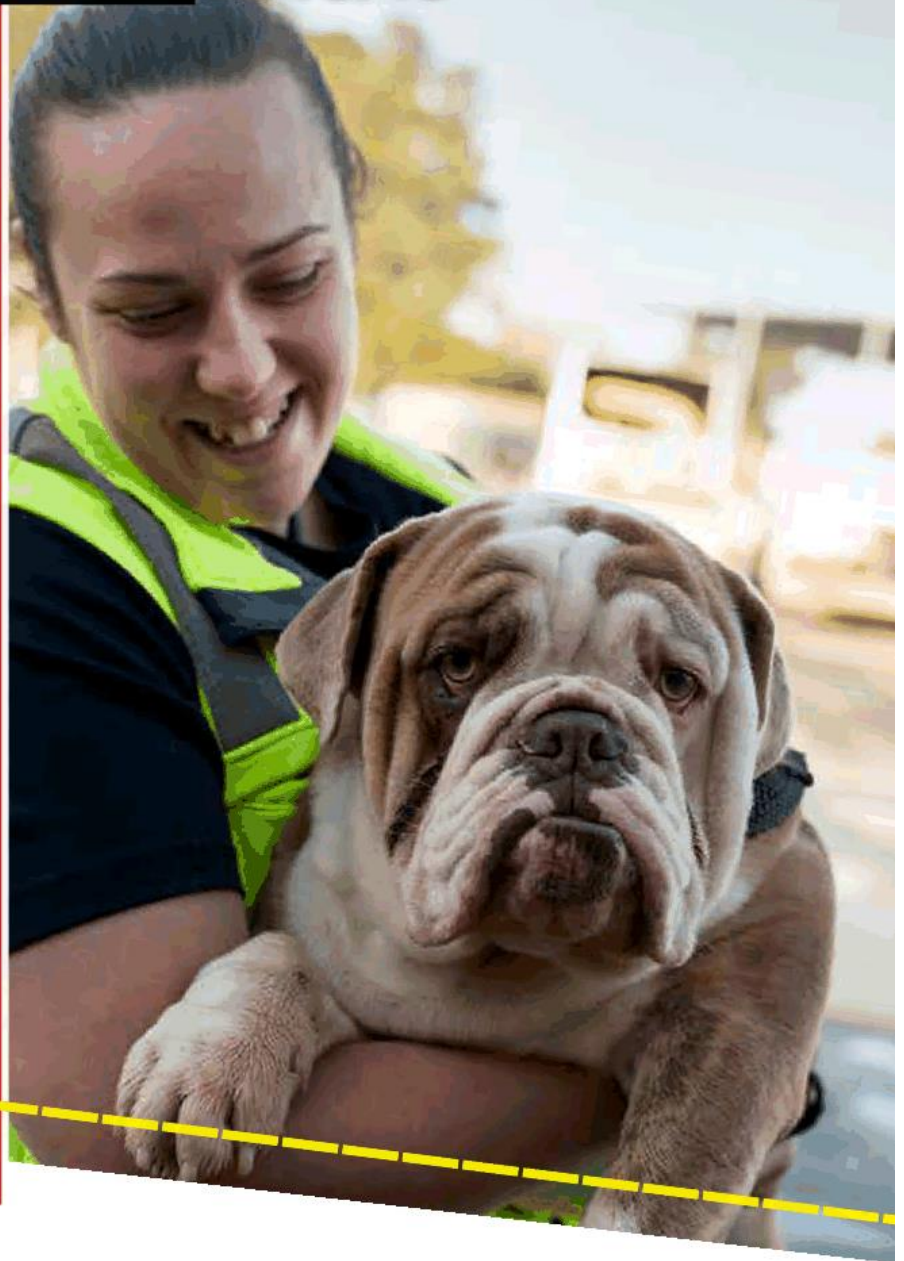
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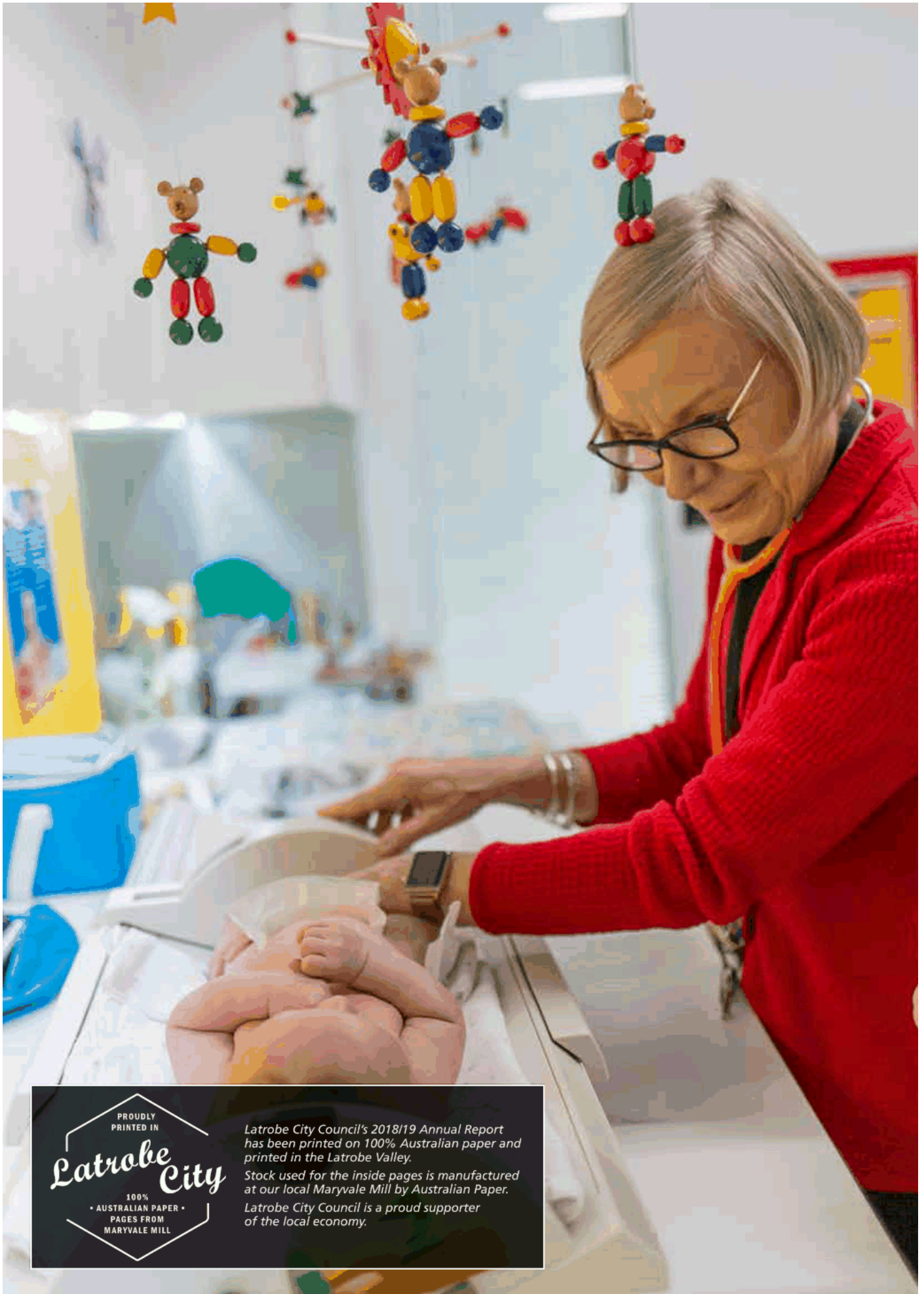
6.1

Presentation of the 2018/19 Annual Report

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LATROBE CITY Annual Report COUNCIL 2018/19





PROUDLY PRINTED IN

Latrobe City

100% AUSTRALIAN PAPER • PAGES FROM MARYVALE MILL

Latrobe City Council's 2018/19 Annual Report has been printed on 100% Australian paper and printed in the Latrobe Valley.

Stock used for the inside pages is manufactured at our local Maryvale Mill by Australian Paper.

Latrobe City Council is a proud supporter of the local economy.



LATROBE
CITY
COUNCIL

**Annual Report
2018/19**

An aerial photograph of a road stretching through a landscape. The road is flanked by trees and grass. In the background, there are hills and a town. The image is partially covered by a red overlay on the left side and a black box containing the word 'PREAMBLE'. A yellow dashed line runs diagonally across the top and bottom of the image.

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



STEVEN PIASENTE
CHIEF EXECUTIVE OFFICER

As Chief Executive Officer, I take a great deal of pride in the knowledge that what our organisation does every day can make a substantial and positive contribution to our community's quality of life. This is a responsibility that I and the whole organisation take very seriously.

One of the most important elements of the role of a CEO is to work strategically to ensure the vision of the Council can be implemented effectively across the business. The Council has a clear vision for the city and it is the role of the organisation to ensure that we are delivering on this vision.

In order to successfully develop strategies that will shape the future of Latrobe as Gippsland's only regional city we must be able to look beyond the current situation, we must understand what the future could look like and use our current assets, strengths and skills to build towards this.

The organisation has continued to build on its reputation of being strategically focused. Over the past 12 months Latrobe City Council has:

- Delivered a 10 year financial plan
- Reviewed the future of Aged and Disability Services inline with the new NDIS requirements
- Continued to improve our statutory planning performance
- Commenced work on our major infrastructure projects that will benefit the community for generations to come

Alongside these important strategic outcomes our daily service delivery output across the organisation has been higher than ever. Visitation across our facilities and use of our services are at their highest levels. This has also translated into our highest levels of feedback, interaction and engagement. Proof, our community values our contribution.

Latrobe City's reputation as an events destination was again strengthened

with a record number of sporting and cultural events this year. Highlights this year included Morwell Rose Garden festival; Sister Cities festival; AFL football events; Big Bash cricket events and our very own Children's Expo. These events, as well as many others attract people from across many municipalities, providing an opportunity for us to showcase our Regional City and present the many opportunities for investment that are available.

In the next year we will see some of the major infrastructure investment in our municipality come to life. Construction works are due for completion with significant and rapid progress occurring at the Gippsland Regional Aquatic Centre and the Latrobe Creative Precinct during the latter half of this financial year. These significant investments in infrastructure will provide access to world class facilities for our community members and visitors. They will also provide a strong platform for attraction of further investment into the City.

It is a privilege to lead Latrobe City Council and I present this Annual Report as a true and accurate record of our financial performance. This report also provides a snapshot of the stories behind the performance.

As I look forward, I am excited about what we have planned. We will continue to strive for excellence with the team of staff here into the future. It is an exciting time to have the opportunity to live, work and play in Latrobe City, Gippsland's only Regional City.

STEVEN PIASENTE
Chief Executive Officer, Latrobe City

*Opposite: Aerial shot of farmland in the Latrobe City municipality
Cover: Local Laws Officer with dog
Inside front cover: Maternal and child health nurse with client*

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/annualreport or a printed version can be viewed at any one of our libraries or service centres.

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

**LATROBE CITY
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

**MORWELL
LIBRARY**
63-65 Elgin Street
Morwell



Latrobe Leisure group fitness class

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.

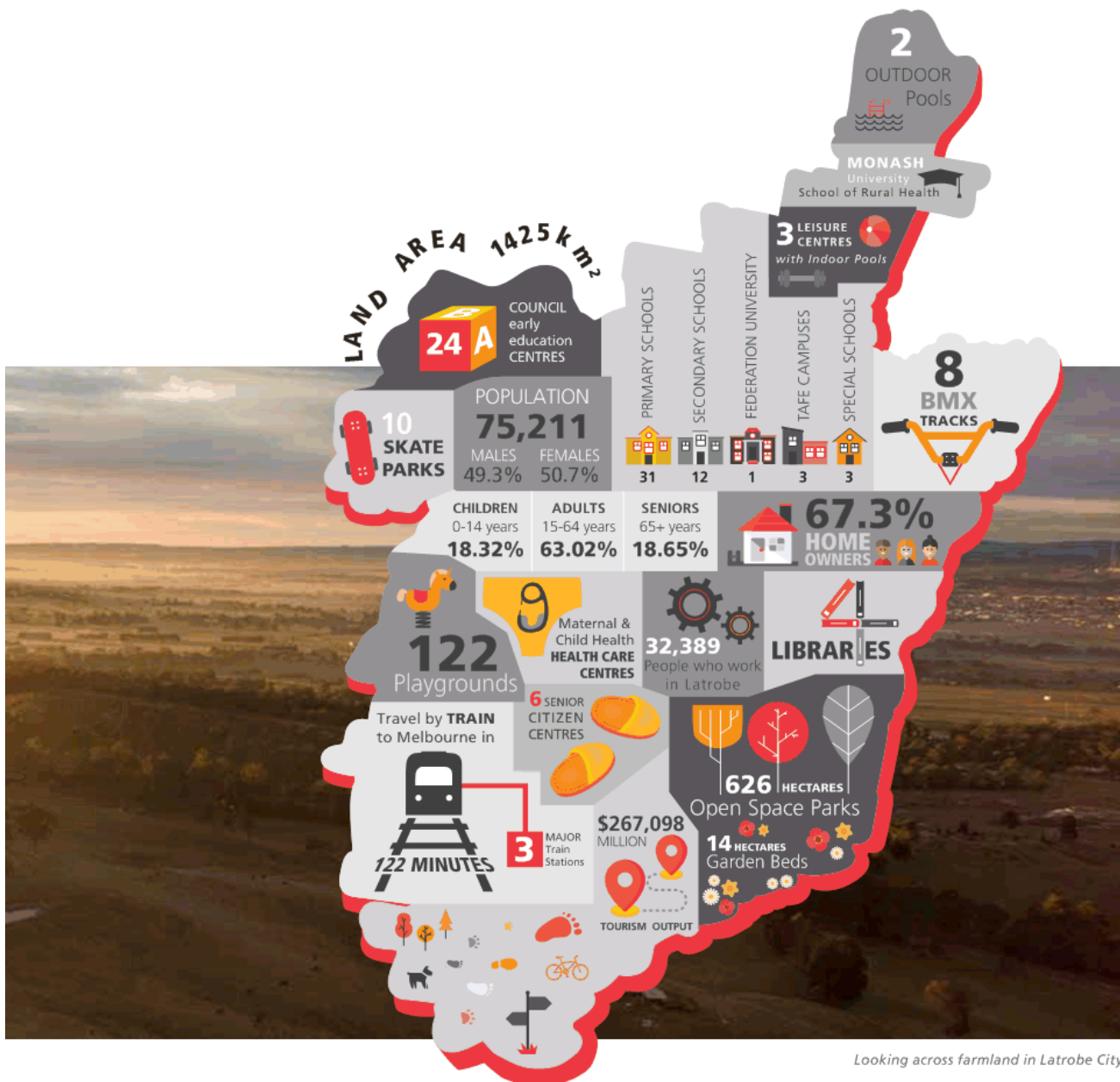
Latrobe City is a 90-minute drive east of Melbourne covering an area of 1425 square kilometres, situated between the Strzelecki Ranges to the south and the Great Dividing Range to the north.

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

Sometimes we tend to overlook the large number of services that Council provides to our community. There are over 130 of these and they range from libraries, kindergartens, parks, roads, animal management, major events and meals on wheels. I am extremely proud of this level of service which is delivered by our dedicated staff every day of the year.

This year is just another in the work of Council to make Latrobe one of the most liveable cities in regional Victoria. However, there is no denying this has been a challenging year for us as we are still emerging from the economic and employment downturn that followed the permanent closure of Hazelwood Power Station in 2017. It does appear that these challenges will continue for some time.

Changes in environmental expectations will challenge the future of a number of key industries that shape our economy. To face these issues head on, Council adopted two clear priorities for this year, Economic Development and Community Liveability. We have been the grateful beneficiary of considerable financial support from the State and Federal Governments as we work to transition our economy to face the future.

Much of this support has focussed on community recreational facilities such as the Latrobe Creative Precinct, the Gippsland Regional Aquatic Centre and the much upgraded Traralgon Sports Stadium and multi-million dollar makeovers of sporting venues in Morwell and Moe.

I have certainly spent a lot of time representing you at sod turnings, ribbon cuttings and announcements as all these projects get under way. As they reach completion in the next year or so we will see a major step up in the liveability of our great city.

As Gippsland's only regional city we have increased our focus on the visitor economy, particularly around the attraction of major sporting events. The Big Bash League, AFL pre-season, AFL Women's, Melbourne Victory, SEM Phoenix and many other elite level teams and sports have performed in the Valley this year. This provided a great lift for our community and thanks are due to the State Government through the Latrobe Valley Authority. We must also not forget the great cultural events attracted by Latrobe Regional Gallery and Latrobe Performing Arts.

We are certainly on track with our aim to lift the liveability of our great city. I am confident that our projects in the pipeline will further strengthen this aim.

Of course, the future prosperity of our city is dependent on strong, well paid employment. As a community, we have the skills necessary to achieve this. The challenge will be to diversify our economy and attract new industries and sources of employment. As our first priority, Council is devoting a great deal of effort to transition and strengthening our economy.

Economic transition will remain Council's primary focus for some time as many of the challenges we face result from changes outside our control. It is very clear that State and Federal assistance will be required in this transition process.



CR GRAEME MIDDLEMISS
MAYOR

CR GRAEME MIDDLEMISS
Mayor, Latrobe City

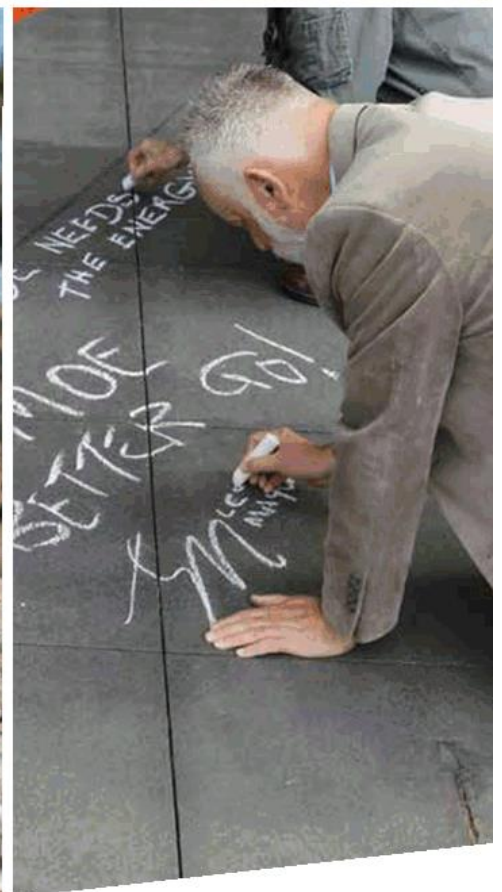


Mayor Cr Middlemiss interviewed at the Big Bash League match at Ted Summerton Reserve, Moe.



Cr Dan Clancey, Minister for Regional Development Jaclyn Symes, Cr Alan Macfarlane, Member for Eastern Victoria Harriet Shing, Cr Darren Howe, Latrobe Valley Authority CEO Karen Cain, Latrobe City Mayor Graeme Middlemiss and Cr Dale Harriman lend a hand demolishing the drained Traralgon outdoor pool

OUR LEADERSHIP



Clockwise from top
 Mayor Cr Graeme Middlemiss at the opening at the Latrobe Sports and Entertainment Stadium synthetic pitch
 Cr Gibson, Cr Clancey and Mayor Cr Middlemiss at Community Tree Planting, College Park, Newborough
 Mayor Cr Graeme Middlemiss advocating during the federal election campaign
 Mayor Cr Graeme Middlemiss inspecting one of our contractors recycling facilities

OUR LEADERSHIP

Your Council Representatives

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

WARD INFORMATION

The councillors elected to these ward areas are as follows:

CENTRAL WARD



CR GRAEME MIDDLEMISS (MAYOR*)

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, is the current Mayor 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.

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, 2012 and then again in 2016. Cr O'Callaghan was Mayor in both 2010 and 2017.



CR DARREN HOWE (DEPUTY MAYOR*)

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).



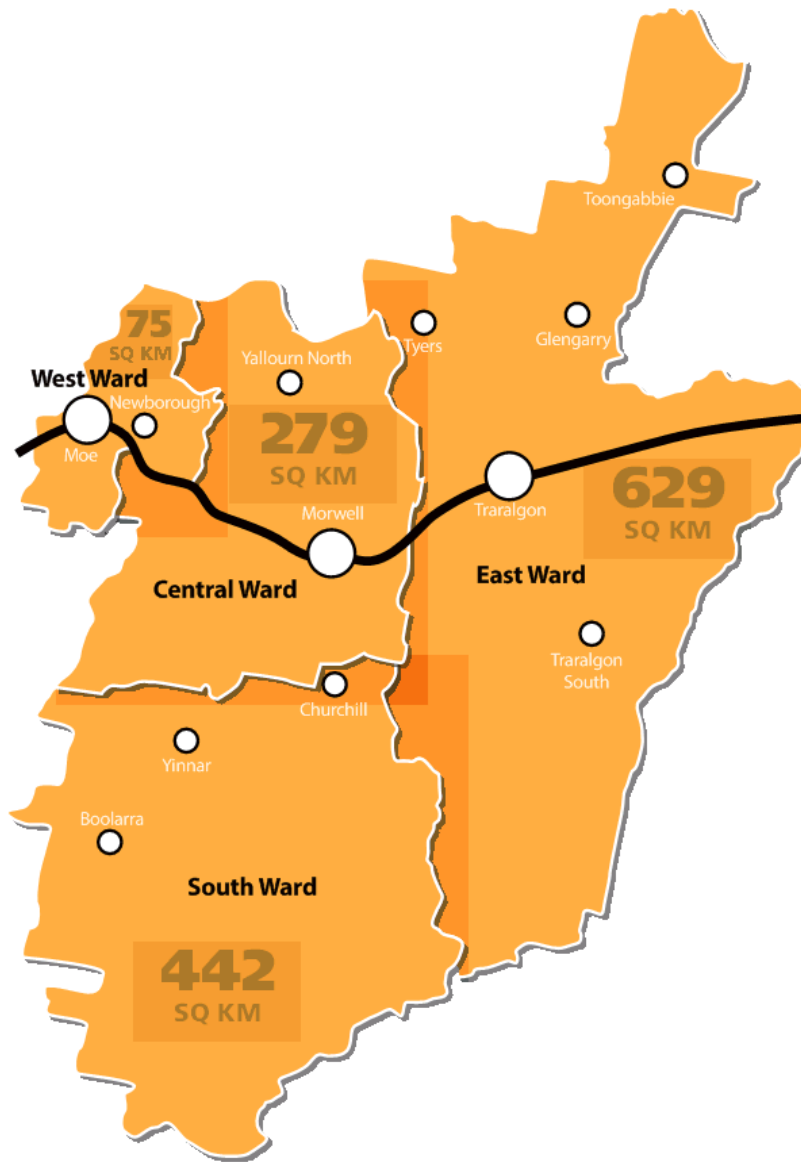
CR DAN CLANCEY

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 1 November 2018.



SOUTH WARD



CR DARRELL WHITE OAM

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 was Mayor in 2018 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.

COMMUNITY REFLECTIONS OF 2018/19

COMMUNITY REFLECTIONS

2018/19 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.



Sister Cities Festival

The Moe Botanical Gardens were transformed into a multicultural space as the Latrobe City Sister Cities Festival came alive to celebrate the Chinese and Japanese cultures. Featuring a range of stage performances, market and food stalls and many activities for all ages, the Latrobe City Sister Cities Festival saw thousands of people flowing into the Moe Botanical Gardens.

The highlight of the afternoon was the Japanese drumming performances along with the Chinese roaming lions displaying a mixture of music and dance thrilling the large crowd.

The Latrobe City Sister Cities Festival celebrates our sister cities of Taizhou (China) and Takasago (Japan) and their culture showing our community the diversity and uniqueness of our sister cities.

At the event Latrobe City Mayor Cr Graeme Middlemiss said "This festival is a standout in our events calendar as we bring three distinct and proud cultures together in our own backyard and celebrate what makes them great! This community really resonates with the Sister Cities Festival which helps bridge the geographical gap between our sister's cities of Taizhou (China) and Takasago (Japan)."

“This festival is a standout in our events calendar as we bring three distinct and proud cultures together in our own backyard and celebrate what makes them great!”



COMMUNITY REFLECTIONS OF 2018/19

Sporting Reputation Grows Bigger

2018/2019 has seen an unprecedented amount of sporting events come to Latrobe City with the help of the Latrobe Valley Authority and the Latrobe City Events Team. The largest event of the year was the Big Bash regular season match between Melbourne Stars and Adelaide Strikers. This spectacular match saw 6093 spectators pour into Ted Summerton Reserve, Moe to see world class action up close and in their own backyard.

Another sporting code to grace our region was the AFL and AFL Women. Morwell Recreation Reserve played host to an AFL pre-season match between Collingwood and Carlton. This pre-season warm-up match saw 6,386 supporters watch a close and high energy match between the old rivals with Collingwood securing a 4 point win.

Morwell Recreation Reserve also hosted AFL Women regular season match between Collingwood and Greater Western Sydney. The match drew 1,743 spectators and showed our region what AFL Women's has to offer. Greater Western Sydney caused an upset win over Collingwood with the match broadcast live across the nation on Fox Footy.

Latrobe City Mayor Cr Graeme Middlemiss said following the match "Bringing elite female sport to our region is very important in showing our younger generation that they too can play elite-level sport if they want to. Matches like these give our kids a chance to watch their sporting heroes right in their own backyard".

Another major sporting event to hit our region was the 66th Herald Sun Tour. Cyclists from around world spent two days racing through and around Latrobe City in the bid for the Herald Sun Tour yellow jersey. The towns of Churchill, Boolarra, Glengarry, Tyers and Yallourn North were up and close to the action with the course flowing through each town.

WNBL and Super Netball pre-season matches also came to Latrobe City with fans coming out to see some of their favourite sporting heroes.



Right: AFLW Collingwood and Greater Western Sydney match

Above, top to bottom: A League womens match, AFL JTL Collingwood and Carlton match, Big Bash League Melbourne Stars and Adelaide Strikers match and A League match



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COMMUNITY REFLECTIONS OF 2018/19

Rose Garden Festival

It was sunny skies all around as the Morwell Rose Garden Festival came alive with thousands of rose enthusiasts ascending upon the Morwell Rose Garden in early November 2018. Latrobe City Mayor Cr Graeme Middlemiss was joined by special guest Costa Georgiadis and many hardworking volunteers from *The Friends of the Rose Garden* to open the festival to a large crowd.

After a short hiatus the Morwell Rose Garden Festival returned in 2018 with huge success. The Morwell Rose Garden was filled with young and old as they enjoyed the large variety of native and international rose species. Kids activities were also on offer, filling the garden with fun and laughter, while food stallholders kept the hungry patrons full all day long. Special guest Costa Georgiadis said

“It’s an absolute pleasure to come here to Morwell and be part of this wonderful event”.

The Morwell Rose Garden Festival will return in 2019 with a huge financial boost from the Federal Government enabling the festival to be renamed the International Rose Garden Festival. We hope to see even more people visit our region next time from all corners of the globe.

“It’s an absolutely pleasure Latrobe to come to here to Morwell and be part of this wonderful event”



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Latrobe City Council



Images: Special guest Costa Georgiadis sharing his passion for gardening, participants learning how to make flower crowns, plants for sale

Big Bash Cricket

It's not every day that elite level Big Bash 20/20 cricket comes to Latrobe City, but this summer Moe hosted a spectacular regular season match between Melbourne Stars and Adelaide Strikers. 6093 spectators poured into Ted Summerton Reserve on a near perfect day to see the Melbourne Stars outclass the Adelaide Strikers. Both teams displayed world class cricket enabling youth in our region to see world class action up close and locally.

The match was broadcast live across the nation and was a perfect opportunity to showcase our sporting infrastructure and what our region has to offer. The Ted Summerton Reserve, Moe was in perfect condition thanks to a joint effort between Cricket Australia, Latrobe City maintenance staff and the dedicated volunteers at the Moe Lions Cricket Club.

The day was labelled a success by all sides and the match was a thrilling show with cricket balls flying into the crowd throughout the day. The large crowd came from the wider region which helped bring economic benefit to Moe. Latrobe City Council would love to bring the Big Bash back to the city next season with the hope of making it a permanent feature on the Cricket Australia calendar.



Mayor Cr Graeme Middlemiss said following the match "Today Ted Summerton Reserve put on a showcase of what our region has to offer. The ground, facilities and volunteers showed that Latrobe City has world class hospitality and can host elite level sporting events".

“ Today Ted Summerton Reserve put on a showcase of what our region has to offer. The ground, facilities and volunteers showed that Latrobe City has world class hospitality and can host elite level sporting events.”



Images: Local residents enjoying the world-class cricket and fantastic atmosphere

COMMUNITY REFLECTIONS OF 2018/19

**10 years
Black Saturday**

February 2019 marked the 10 year anniversary of the 2009 Victorian Bushfires, also known as Black Saturday. The 10 year anniversary of the 2009 Victorian Bushfires was a difficult time for many people in our community. These bushfires devastated the state with 173 people tragically passing away including 11 people in Latrobe City. This anniversary was an opportunity to come together as a community and remember those people who lost their lives 10 years ago.

The 2009 Victorian Bushfires have shaped our communities response to

bushfires and today we are more able to deal with natural disasters. The strength of the community is stronger than ever and our latest well-attended community event supported this. The BBL, Australia Day and Christmas carol events are great examples of community coming together and allowing our community spirit to grow.

On the 10 year anniversary Honourable Linda Dessau AC, Governor of Victoria, the Patron for the 10 Year Anniversary commemorations, joined Latrobe City Mayor Cr Graeme Middlemiss and Deputy Mayor Cr Darren Howe at the 2009 Victorian Bushfire memorial at

Victory Park, Traralgon to lay a wreath of mourning in a small ceremony.

Following the laying of the wreaths Latrobe City Mayor Cr Graeme Middlemiss said "The Latrobe Valley has a proud history of overcoming adversity and rebounding to be a stronger and more cohesive community. The resilience in our community has been unshakable."



Wreath of mourning laid at the bushfire memorial at Victory Park, Traralgon

100 years of ANZAC

2018/2019 marked 100 years since Australia's involvement in World War 1, the ANZAC spirit still holds strong among our community as thousands of people were welcomed to dawn services across Latrobe City.

The ANZAC Centenary is a time to honour the service and sacrifice of our original ANZACs, and the generations of Australian servicemen and women who have defended our values and

freedoms, in wars, conflicts and peace operations throughout a Century of Service.

ANZAC Day has also become symbolic of our remembrance and respect for those who have served our country in conflict over more than a century of our history.

More than 102,000 Australian military personnel have lost their lives in wars, conflict and countless more were

wounded and often permanently incapacitated.

It is heartening to see our community, especially the younger generations, turn out at today's ceremonies as a mark of respect to those who gave so much to defend our freedom.



Latrobe City Councillors Cr Clancey, Cr Harriman, Cr Howe and Cr O'Callaghan paying their respects at an ANZAC ceremony

COMMUNITY REFLECTIONS OF 2018/19

Children's Expo

The Latrobe City Children's Expo is an annual event that celebrates the early years of life in Latrobe City and the wider region. Early years is the most important stage in a child's development and this expo helps parents, guardians and grandparents be informed on the latest services and education. The Latrobe City Council Family Services Team organise and facilitate the expo each and every year to promote not just Latrobe City Council services but those from the wider community.

Kernot Hall was full of joy and laughter as the *Mik Maks* put on performances throughout the day entertaining the young crowd. The jumping castle and petting zoo were also very popular giving the children the opportunity to have some fun while the parents had conversations with stallholders. Throughout the day, thousands of children, parents and guardians explored the Latrobe City Children's Expo and used the day to help shape the early years future of their children.

Latrobe City Council Mayor Cr Middlemiss said "The Latrobe City Children Expo is a staple in the Latrobe City events calendar and we use this opportunity to promote various early years services to the community and help enable all to access these vital services".

"The Expo is an opportunity for the parents and caregivers to seek out information on a range of issues in a relaxed setting. The timing allows for working parents or those with children at primary school to be able to attend".

The Latrobe City Children's Expo will return on Thursday 24 October 2019.

“The Expo is an opportunity for the parents and caregivers to seek out information on a range of issues in a relaxed setting.”



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



COMMUNITY REFLECTIONS OF 2018/19

Jasly...

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COMMUNITY REFLECTIONS OF 2018/19

Traralgon Outdoor Pool End of an Era

In March 2019 we saw the end of an era with the Traralgon Outdoor Pool closing its doors for the final time. The venue has been an iconic element to the summer landscape of Traralgon and has been the location for thousands of memories for our community.

The site is the future home of the Gippsland Regional Aquatic Centre, a community asset that will become the location for thousands of new memories.

The Traralgon Outdoor Pool was opened in 1958 as part of a program to promote swimming and physical activity across the nation after the Melbourne Olympics in 1956. From there it has operated every summer since opening, with the community embracing the outdoor lifestyle as intended when it was constructed.

The final weekend saw the community come together to enjoy the facilities one last time, with a number of family friendly activities that ensure that the pool will live in the memories of the community for years to come.

“Traralgon Outdoor Pool closes forever, but still has a special place in the hearts of many.”



Above: Local children enjoying the Traralgon Outdoor Pool, one last time

Below: Sausage sizzle at the End of an Era celebration

Dog Park Trial

January 2019 saw the Traralgon Fenced Off-Leash Dog Park trial take place.

The fence was erected in early January with the park being used by the public in the second week of January. This trial was proof of what a community group's passion can result in.

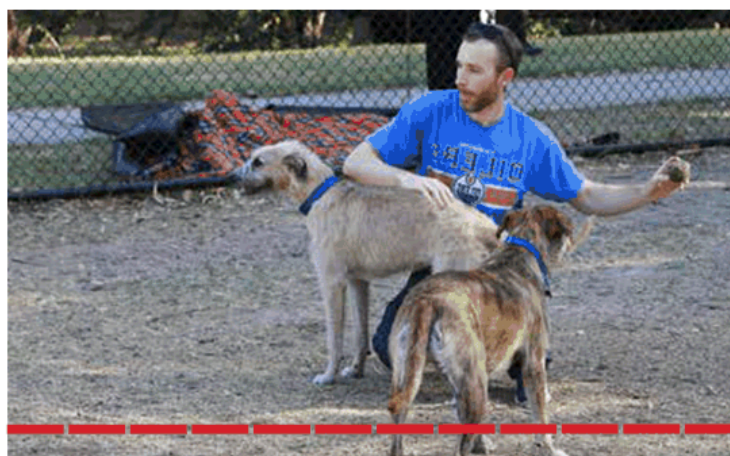
Community consultation was facilitated via an online and hard copy survey over a period of five weeks from 19 March 2018 to 22 April 2018. Respondents were asked a series of questions relating to preferred sites for the location of the facility, preferred equipment that could be installed at the facility and were given the option of making a general comment in relation to the proposal. 714 responses were received with 85% in favour of the project.

Now that the Dog Park is well and truly into its trial, it is rewarding to see the great community groups and friendships which have been formed by the use of the facility.

Since opening, Latrobe City Council has hosted three open days at the park, which consists of an open invite to the community and their dogs with dog treats, grooming and games along with treats for the humans too! Over the three events, more than 1600 people walked through the gates with more than 1790 dogs also in attendance, during this time 879 surveys have been filled in, with feedback which will be passed onto Council at the end of the trial period. The best statistic from these open days is zero fights occurred!

Public dog parks allow dogs to get ample off-leash exercise and interact with other dogs. When dogs get the adequate physical and mental exercise they need, humans can notice a decrease in the level of troublesome behaviour from their dogs which is also a great benefit to the wider community.

The trial will come to an end in January 2020, and council will then decide what is next within the Dog Park space.



Community members enjoying their beloved dogs and the Traralgon Fenced Off-Leash Dog Park

All Access Weekends

Latrobe Leisure facilities play a huge part in the lives of Latrobe City residents and connecting our community to one another. With four Latrobe Leisure facilities spread across our municipality the three *All Access Weekends* aimed to increase social connection in our community, promote participation in physical activity and healthy nutritious food choices. Partnering with GippSport, Youth Space, Gippsland Water and Latrobe Leisure the All Access Weekends were able to attract approximately 2000 community members across three weekends.

The Morwell Leisure All Access weekend held in May was especially well attended as the weekend was co-hosted with the Vic Health campaign 'This Girl Can'. This campaign celebrates and supports women to embrace physical activity, build confidence to participate and help break down barriers. Speakers Cr Kellie O'Callaghan and master weightlifter Bonnie Grylls-Graham gave community members insight into balancing life and overcoming barriers.

The All Access Weekends brought community members from all over Latrobe City together to connect and engage in physical activities. The weekends featured a variety of

activities such as stand-up paddle boarding, 3x3 basketball, dodgeball, jumping castle, petting zoo, swimming, gym sessions, movie night, Zumba, yoga, Kangatraining, water aerobics and Otto Water Inflatable.

Mayor Cr Graeme Middlemiss said "These weekends are more than just free entry to the facility—it's an opportunity to engage and connect with our community through the fun of sport and physical activity. Improving the health and wellbeing of our community is a top priority of Council and continuing events like these will go a long way in achieving this goal."



“ Improving the health and wellbeing of our community is a top priority of Council and continuing events like these will go a long way in achieving this goal. ”



Images: Community members enjoying the activities on offer at All Access Weekends

COMMUNITY REFLECTIONS OF 2018/19

Latrobe City Traffic School

2019 was the first time that Latrobe City Council opened up the Traffic School to the public. The purpose of the day was to experiment on using council facilities with no cost to the public, to gain feedback from the community in regards to their Council pain points and for children to be out in the fresh air, exercising, meeting new people and creating memories.

One great part of the open day was how many of the parents found coming to the facility quite nostalgic as they had spent many hours riding their bikes around on the tiny roads as children.

The Traffic School aims to enable children to:

- gain knowledge and understanding of the road traffic environment and the road rules
- develop the physical and cognitive skills to manage the road traffic environment safely as a cyclist
- develop responsible behaviours, attitudes and decision-making skills for the safe use of bicycles both on and off the road

Using the Traffic School inspires children to develop their bicycle riding skills, skateboarding skills, scooter skills or even rollerblading skills along with their physical capability. Other benefits include enhanced health, fitness and wellbeing, confidence, independence, learning and social development.

In the last six months there has been four open days on school holidays and weekends for the community. Overall more than 5000 people came through the gates to use the facility with wonderful feedback from all.



Images: Local children enjoying the facilities at the Latrobe City Traffic School public open day.



“Overall more than 5000 people came through the gates to use the facility with wonderful feedback from all.”

OUR PEOPLE

We strive to provide the best possible services and support for our community, our region and all that it has to offer.



OUR PEOPLE



Above: Latrobe City Outdoor School Crossing Supervisor

Bottom: Library Staff managing the collection at Traralgon Library

Opposite: Latrobe City Outdoor Maintenance Officers

OUR PEOPLE

Organisational Structure



OFFICE EXECUTIVE

CHIEF EXECUTIVE OFFICER
Steven Piasente



CITY DEVELOPMENT

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

Below: Latrobe City Council Corporate Headquarters in Morwell CBD





CORPORATE SERVICES

GENERAL MANAGER
Greg Drumm
MANAGER
FINANCE
Matthew Rogers
MANAGER
GOVERNANCE
Vacant
MANAGER
PEOPLE & CULTURE
Jodie Pitkin
MANAGER
TECHNOLOGY INFORMATION &
PERFORMANCE SERVICES
Bill Macpherson



COMMUNITY SERVICES

ACTING GENERAL MANAGER
Kate Kerslake
MANAGER
AGED & DISABILITY SERVICES
Helen Taylor
MANAGER
COMMUNICATIONS
Vacant
MANAGER
COMMUNITY DEVELOPMENT
Steve Tong
ACTING MANAGER
CUSTOMER RELATIONS
& LIBRARIES
Paul Holton
ACTING MANAGER
FAMILY SERVICES
Nicky Lappin



INFRASTRUCTURE & RECREATION

ACTING GENERAL MANAGER
Larry Sengstock
MANAGER
INFRASTRUCTURE
DEVELOPMENT
Kevan Delaney
MANAGER
INFRASTRUCTURE
OPERATIONS & WASTE
Martin Teplik
MANAGER
RECREATION
Shay Ferguson
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
- Meals on Wheels
- Operate senior citizen centres
- Support community volunteering
- Health promotion
- Disease prevention strategies
- Welcoming and age friendly clubs/groups
- Supporting carer's program



CULTURE, LEISURE AND RECREATION

- 3 indoor leisure centres and 2 outdoor pools
- 14 indoor stadiums/courts across 4 facilities
- Traffic School
- Lake Narracan Caravan Park
- 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 122 playgrounds
- Operate council nursery
- Kerbside spraying and tree planting
- Garden competition
- Recreation planning
- Open space planning
- Latrobe Regional Gallery
- Latrobe Performing Arts Centre



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 3 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

- 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 microchipping
 - 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
- Promotion of training and employment opportunities for indigenous people
- Community, and promote social justice and reconciliation



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 council's 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



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



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
- Develop, attract and promote events
- Support community and council civic events
- Facilitate the community event grant program



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
- School holiday programs
- Work experience placements
- Author talks and guest speakers/ presentations

OUR PEOPLE

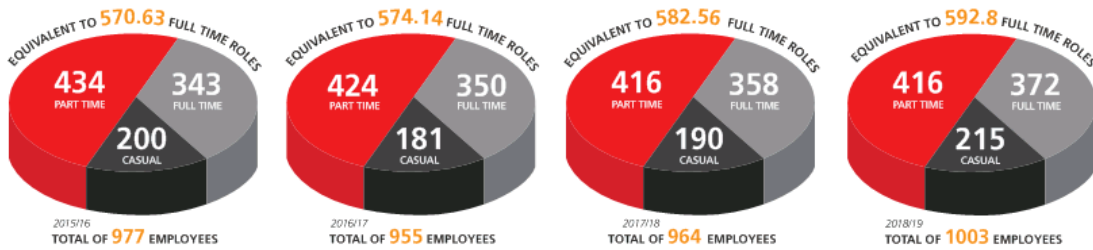
Our Employees

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 the spirit of honesty, teamwork and trust.

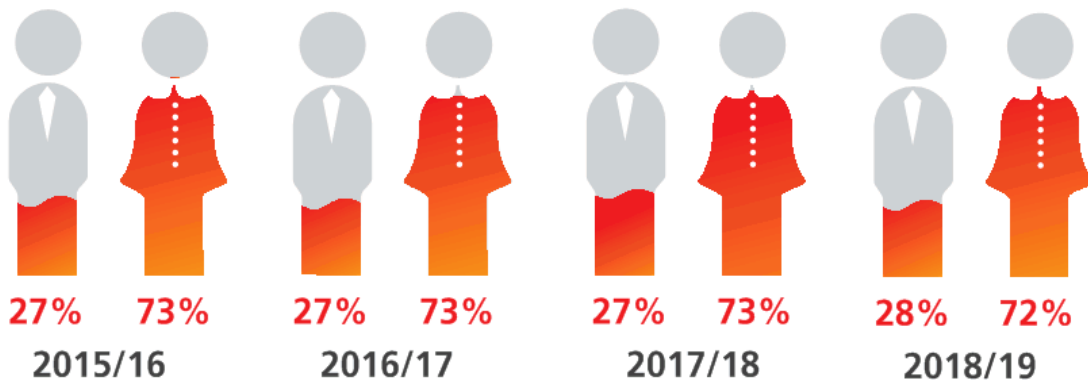
As of 1 July 2018, Latrobe City Council employed 1003 people, comprising full time, part time and casual employees. The number of equivalent full time positions (FTE) is 592.2. The total number of employees has increased by 39 from the previous year.

WORKFORCE DETAILS

WORKFORCE STAFFING LEVELS



WORKFORCE PROFILE



(in accordance with the *Local Government Act 1989*)

COUNCIL STAFF

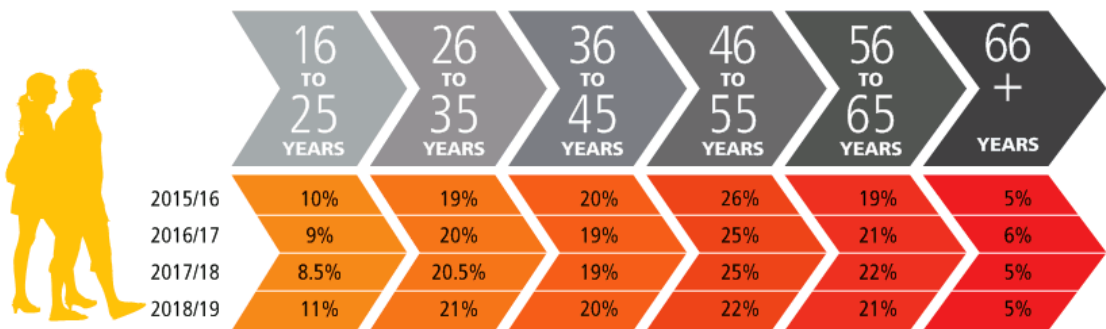
A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender.



SALARY BANDING

	2018/19	1	2	3	4	5	6	7	8	ALL OTHER
MALE	Permanent Full Time	0	4	47	13	38	30	28	10	19
	Permanent Part Time	10	2	9	4	3	0	0	1	1
	Casual	0	2	38	1	0	0	0	0	17
FEMALE	Permanent Full Time	0	3	5	39	36	52	23	6	19
	Permanent Part Time	109	23	23	86	25	17	5	0	98
	Casual	1	23	90	2	3	0	0	0	48

WORKFORCE BY AGE



STAFF TURNOVER

Latrobe City Council's turnover of employees for 2018/19 was 13.1% percent, which was a decrease from the previous period. Council carefully reviews feedback from exiting employees to identify any issues that led to their departure. Above results include seasonal and casual staff.

13.8%	2015/16
15.2%	2016/17
13.6%	2017/18
13.1%	2018/19

SETTING OUR DIRECTION

SETTING OUR DIRECTION

"In 2026 the Latrobe City 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 come from a concentrated 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
 - 06 PROVIDE A CONNECTED, ENGAGED & SAFE COMMUNITY
 - 07 ENSURE COUNCIL OPERATES OPENLY, TRANSPARENTLY & RESPONSIBLY
- 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, visit: www.latrobe.vic.gov.au or phone 1300 367 700.



Opposite: Community members enjoying the Big Bash League match at Ted Summerton Reserve, Moe

SETTING OUR DIRECTION

Planning and Reporting

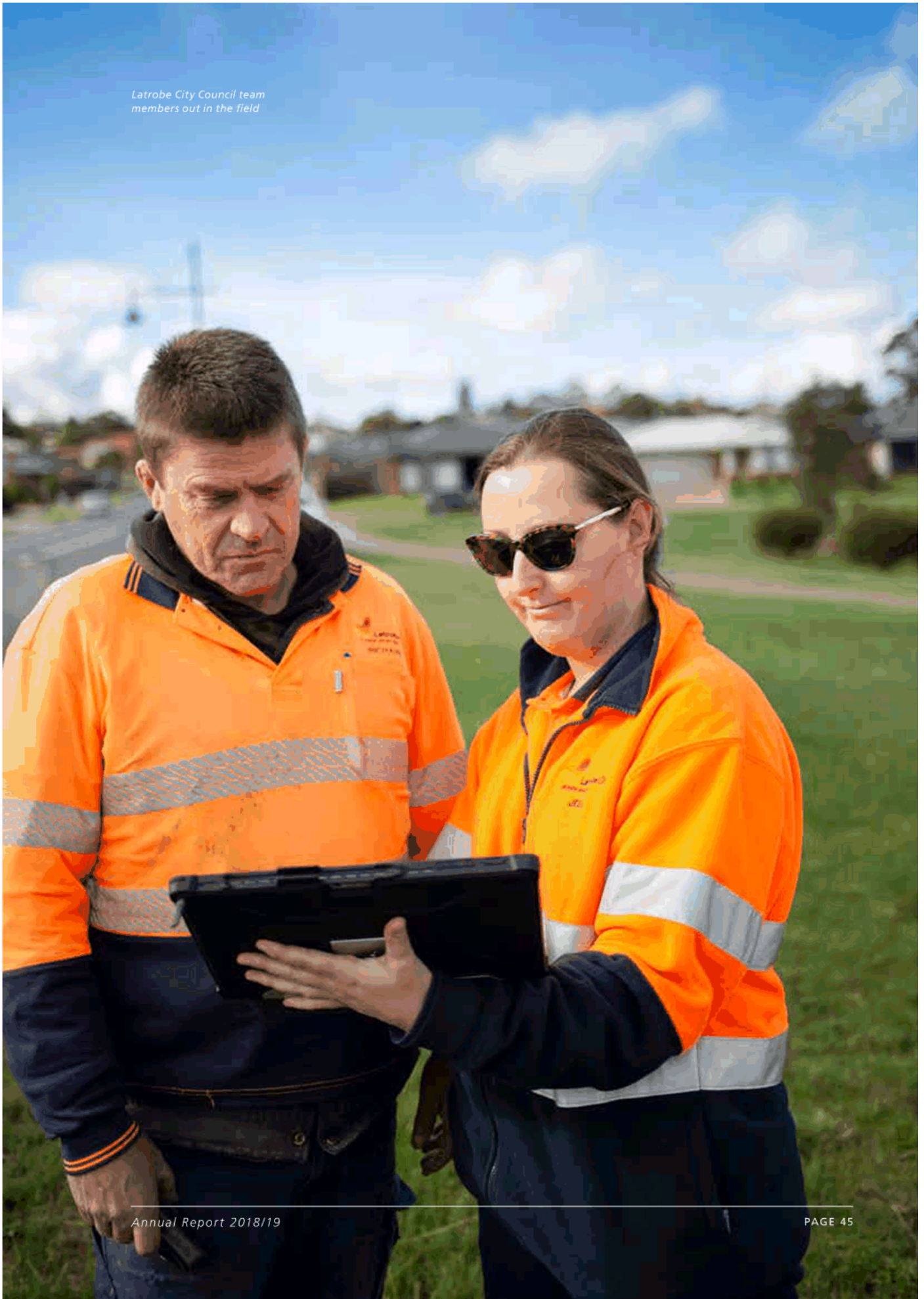
Each year, Latrobe City Council reviews its four-year business plans, setting out activities and objectives that align with the strategic directions of the Council Plan.

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



Latrobe City Council team members out in the field



HOW ARE WE PERFORMING?

HOW WE ARE PERFORMING



PAGE 46

Latrobe City Council

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 2018/19

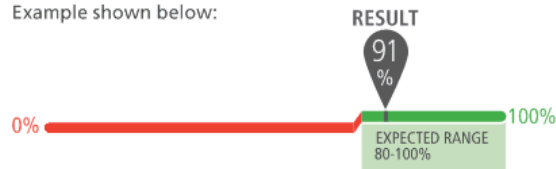
Measured by the *delivery* of listed projects

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

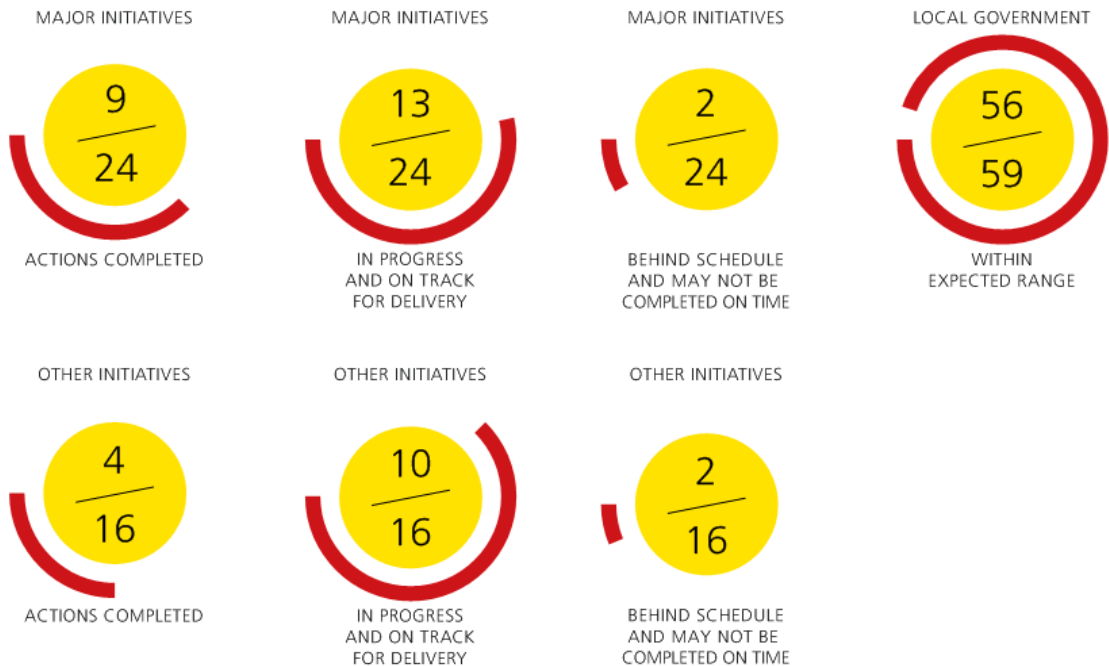
LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK INDICATORS

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

MEASURE TYPE	ACTION	2018/19 RESULT
Major Initiative	Implement the Economic Development Strategy	Achieved
Major Initiative	Implement the advocacy campaign for the Strength Led Transition 2.0	In Progress
Major Initiative	Continue to progress the Latrobe Creative Precinct Project	In Progress
Major Initiative	Deliver the Retail Strategy	Achieved
Major Initiative	Implement Year 2 of the Customer Experience Strategy	In Progress
Major Initiative	Complete the Northern Reserve Newborough Drainage Upgrade and Oval Lighting Project	In Progress
Major Initiative	Complete Stage 1 of the Moe AAA/Apex/Lions Play Space Upgrade	In Progress
Major Initiative	Complete the construction of the Churchill Synthetic Sports Field Pavilion	Achieved
Major Initiative	Complete a service review of Council's Direct Care services	In Progress
Major Initiative	Long-term financial plan (ensuring financial sustainability of Council)	In Progress
Major Initiative	Complete the construction of a shared pathway between Morwell and Traralgon	In Progress
Major Initiative	Complete the design and tender for the Gippsland Regional Aquatic Centre	In Progress
Major Initiative	Complete the design and tender for the Traralgon Sports Stadium redevelopment	In Progress
Major Initiative	Complete the construction of a Netball/Cricket pavilion at Morwell Recreation Reserve.	In Progress

OTHER INITIATIVES

MEASURE TYPE	ACTION	2018/19 RESULT
Other Initiative	Works in association with the Gippsland Logistics Precinct	In Progress
Other Initiative	Introduce adult library programs including digital literacy	Achieved
Other Initiative	Complete detailed design for Yinnar Hall and Community Centre redevelopment	In Progress
Other Initiative	Construct toilets at Traralgon Railway Reserve	In Progress
Other Initiative	Construct toilets at Victory Park (Monomeith Senior Citizens Centre)	In Progress
Other Initiative	Construction of Tracks, Trails and Paths - Year 3 Actions from Implementation Plan	Achieved
Other Initiative	Upgrade Latrobe City owned and operated toilet facilities to ensure appropriate disability access	In Progress
Other Initiative	Advance evaporative cooling at Latrobe Leisure Centres	Achieved
Other Initiative	Complete design and construction of Pavilion at Apex Park	In Progress
Other Initiative	Complete the Traralgon South Pavilion upgrade	In Progress
Other Initiative	Construction of the new Moe Botanic Gardens Play Space	In Progress
Other Initiative	Improve pedestrian safety access to Mid Valley Shopping Centre	Achieved
Other Initiative	Complete the construction of the Haunted Hills Mountain Bike Park	In Progress
Other Initiative	Completion of Commercial Road upgrade (part of Future Morwell plan)	In Progress
Other Initiative	Develop and deliver additional initiatives under the Future Morwell Plan	In Progress
Other Initiative	Latrobe City Sports and Entertainment Stadium upgrades	In Progress

HOW ARE WE PERFORMING?

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK INDICATORS

KPI	MEASUREI	2015/16	2016/17	2017/18	2018/19
AF2	Health inspections of aquatic facilities	1.00	2.33	1.83	2.00
AF3	Reportable safety incidents at aquatic facilities	0.00	0.00	0.00	0.00
AF4	Cost of indoor aquatic facilities	\$2.31	\$2.15	\$2.72	\$3.48
AF5	Cost of outdoor aquatic facilities	\$10.92	\$10.70	\$9.00	\$12.85
AF6	Utilisation of aquatic facilities	5.21	5.18	4.91	4.92
AM1	Time taken to action animal management requests	2.06	1.96	2.07	2.69
AM2	Animals reclaimed	36%	37%	31%	40%
AM3	Cost of animal management service	\$47.47	\$41.13	\$30.47	\$47.11
AM4	Animal management prosecutions	0.00	1.00	23.00	119.00
C1	Expenses per head of municipal population	1616.79	1563.30	1890.50	1812.98
C2	Infrastructure per head of municipal population	12914.79	12929.15	13086.30	13210.02
C3	Population density per length of road	46.53	45.51	45.75	45.92
C4	Own-source revenue per head of municipal population	1274.30	1350.30	1288.25	1325.92
C5	Recurrent grants per head of municipal population	284.64	428.82	377.74	352.82
C6	Relative Socio-Economic Disadvantage	1.00	1.00	1.00	1.00
E1	Average residential rate per residential property assessment	1534.64	1581.97	1607.51	1674.89
E2	Expenses per property assessment	3118.35	3037.72	3689.81	3534.00
E3	Resignations and terminations compared to average staff	15%	10%	10%	12%
FS1	Time taken to action food complaints	1.05	1.24	1.78	1.64
FS2	Food safety assessments	86%	97%	83%	130%
FS3	Cost of food safety service	\$533.93	\$331.32	\$335.19	\$343.00
FS4	Critical and major non-compliance outcome notifications	82.50%	79.19%	93.44%	88.54%
G1	Council decisions made at meetings closed to the public	25.63%	17.37%	20.78%	21.90%
G2	Satisfaction with community consultation and engagement	48.00	54.00	57.00	57.00
G3	Councillor attendance at council meetings	93.65%	95.42%	97.04%	94.15%
G4	Cost of governance	\$41,483.52	\$38,508.56	\$39,164.29	\$39,306.84
G5	Satisfaction with council decisions	47.00	51.00	52.00	54.00
L1	Current assets compared to current liabilities	271.23%	302.09%	321.71%	324.70%
L2	Unrestricted cash compared to current liabilities	147.23%	-55.08%	-4.55%	-71.18%

HOW ARE WE PERFORMING?

Results in detail *(CONTINUED)*

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK INDICATORS (CONTINUED)

KPI	MEASUREI	2015/16	2016/17	2017/18	2018/19
LB1	Library collection usage	2.81	2.60	2.46	2.36
LB2	Standard of library collection	53.40%	55.72%	49.36%	45.56%
LB3	Cost of library service	\$9.85	\$7.31	\$8.71	\$9.21
LB4	Active library members	15.81%	11.59%	10.28%	10.34%
MC1	Participation in first MCH home visit	109.82%	109.57%	96.52%	99.26%
MC2	Infant enrolments in the MCH service	100.00%	97.42%	100.65%	100.98%
MC3	Cost of the MCH service	\$79.80	\$71.97	\$77.44	\$80.39
MC4	Participation in the MCH service	74.86%	76.27%	72.58%	70.48%
MC5	Participation in the MCH service by Aboriginal children	71.39%	68.24%	70.86%	69.14%
O1	Asset renewal compared to depreciation	63.98%	71.35%	72.54%	57.53%
O2	Loans and borrowings compared to rates	24.88%	21.50%	22.08%	19.31%
O3	Loans and borrowings repayments compared to rates	9.26%	3.68%	3.47%	2.91%
O4	Non-current liabilities compared to own source revenue	42.91%	30.29%	39.01%	26.91%
OP1	Adjusted underlying surplus (or deficit)	-3.89%	13.24%	-11.21%	-5.01%
R1	Sealed local road requests	32.22	30.23	33.29	34.56
R2	Sealed local roads maintained to condition standards	99.61%	99.34%	99.88%	99.71%
R3	Cost of sealed local road reconstruction	\$111.09	\$185.62	\$153.43	\$104.92
R4	Cost of sealed local road resealing	\$9.92	\$9.75	\$10.36	\$11.68
R5	Satisfaction with sealed local roads	50.00	61.00	56.00	60.00
S1	Rates compared to adjusted underlying revenue	64.33%	56.32%	59.41%	60.08%
S2	Rates compared to property values	0.72%	0.70%	0.70%	0.69%
SP1	Time taken to decide planning applications	82.00	73.00	52.00	56.00
SP2	Planning applications decided within required time frames	93.00%	92.16%	95.45%	95.57%
SP3	Cost of statutory planning service	\$2,488.33	\$3,023.27	\$2,469.20	\$2,477.90
SP4	Council planning decisions upheld at VCAT	66.67%	57.14%	60.00%	40.00%
WC1	Kerbside bin collection requests	120.22	146.44	153.51	126.63
WC2	Kerbside collection bins missed	3.06	3.38	3.23	2.80
WC3	Cost of kerbside garbage bin collection service	\$98.02	\$99.57	\$101.27	\$103.97
WC4	Cost of kerbside recyclables collection service	\$22.90	\$24.31	\$24.70	\$26.20
WC5	Kerbside collection waste diverted from landfill	52.07%	53.24%	53.95%	52.08%

HOW ARE WE PERFORMING?

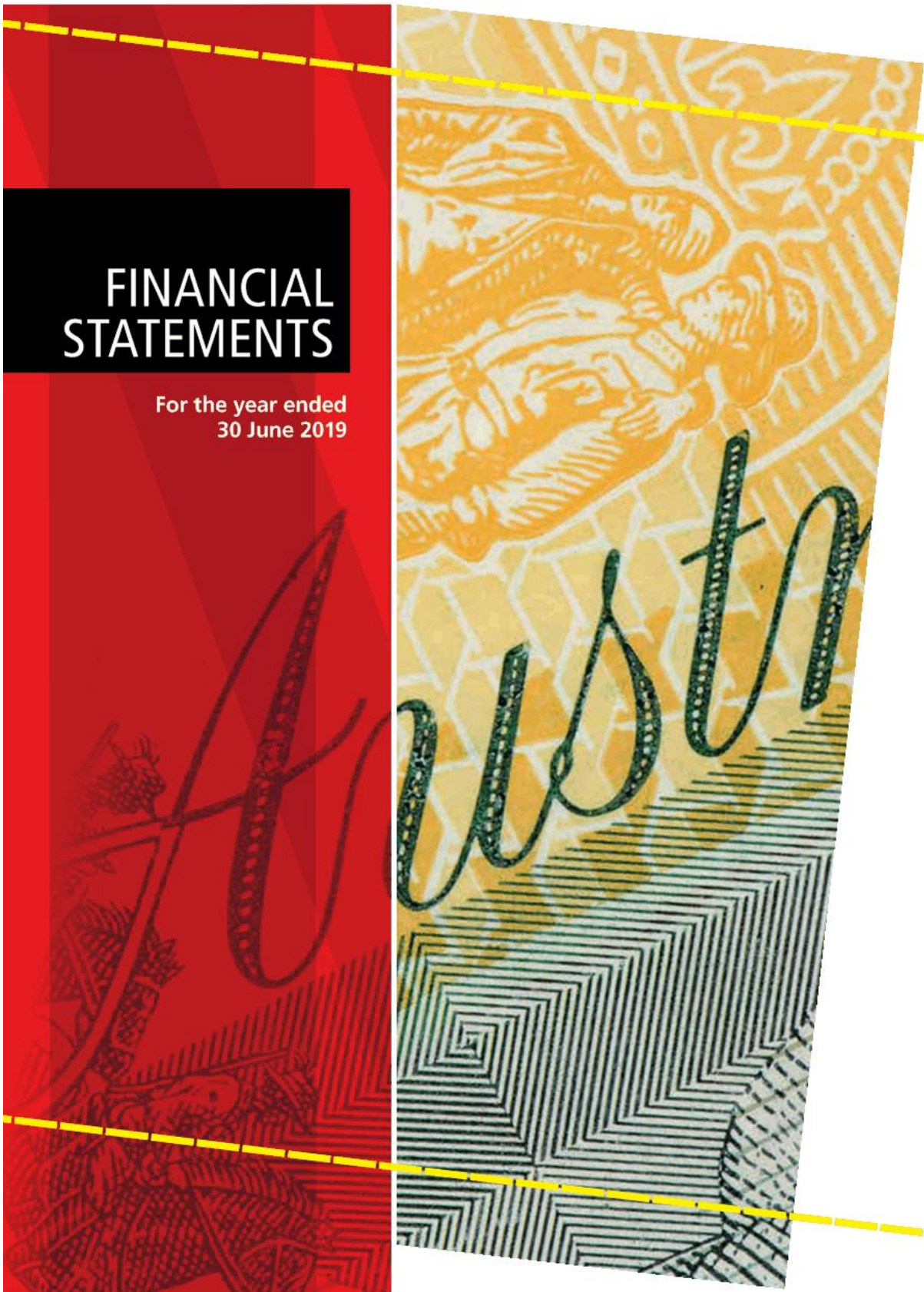
CAPITAL WORKS HIGHLIGHTS

PROJECT	18/19 EXPENDITURE \$	PROJECT	18/19 EXPENDITURE \$
Gippsland Regional Aquatics Centre	7,911,335	Traralgon Tennis Club - LED lighting upgrade	318,743
Road Rehabilitation Program	3,343,819	Footpath Linear Path Program	310,659
Traralgon Sports Stadium	3,167,942	Traralgon South - tennis/netball courts	302,487
Local Road Reseals Program	3,092,931	Latrobe Regional Hospital Footpath Access Project	287,376
Morwell Recreation Reserve	2,818,440	Logistics Precinct and Intermodal Freight Terminal	280,261
Morwell to Traralgon Shared Pathway	2,496,705	Traralgon West Sporting Complex - fitout of upstairs	272,781
Latrobe City Sports and Entertainment Stadium - synthetic pitch	1,958,325	Future Morwell - Commercial Road	272,695
Latrobe Creative Precinct Design	1,875,841	Stormwater Outfall Rehab Program	270,661
Plant Replacement Program	1,444,238	Northern Reserve Oval - lighting	243,965
Local Roads Reseal Prep Program	1,302,448	Latrobe Leisure Renewal Program	207,165
Gravel Road Resheets Program	1,017,315	Tyers Recreation Reserve Oval - lighting	187,482
Kerb and Channel Replacement Program	1,013,089	Transfer Station - upgrade	177,111
Latrobe City Sports Field Churchill - pavilion construction	1,008,495	Kitchen Renewal Program	151,892
Footpath Rehabilitation Program	724,710	Monash Reserve - pavilion and courts	149,593
Fleet Replacement Program	718,982	Bridge and major culvert works	148,692
Building Renewal Program	702,555	Northern Reserve Newborough - drainage improvement	143,411
Ted Summerton Reserve	678,190	Maryvale Reserve - change facilities	132,914
Latrobe Leisure Stadium - evaporative cooling	658,759	Minor Drainage Renewal Program	128,447
IT equipment purchases	639,800	Furlonger St/Nixon Ct Precinct - drainage augmentation	121,136
Footpath Missing Links Program	552,036	Monash Reserve - 100 lux LED power upgrade	119,527
Playground Equipment Renewal Program	510,807	Retaining Wall Renewal Project	116,491
Nation Building Blackspot Program	463,699	Harold Preston - car park	113,258
Glengarry Recreative Reserve - upgrade change room football/cricket	424,376	CCTV Morwell CBD	109,475
Fixing Country Roads Program	413,373	Water meter upgrade - irrigated sporting reserves	102,690

FINANCIAL REPORT

FINANCIAL STATEMENTS

For the year ended
30 June 2019



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Latrobe City Council

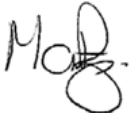
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FINANCIAL REPORT

**Certification of the
Financial Statement**

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

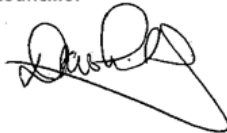
Matthew Rogers, CPA

Dated: 02 September 2019

In our opinion the accompanying financial statements present fairly the financial transactions of Latrobe City Council for the year ended 30 June 2019 and the financial position of the 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 the 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: 02 September 2019

Councillor

Cr Alan McFarlane

Dated: 02 September 2019

Chief Executive Officer

Steven Piasente

Dated: 02 September 2019

Auditor General's Report on Financial Report

FOR THE YEAR ENDED 30 JUNE 2019



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 2019 • 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 • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its 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 on Financial 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
18 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$'000	2018 \$'000
INCOME			
Rates and charges	3.1	78,013	75,350
Statutory fees and fines	3.2	2,284	2,303
User fees	3.3	13,633	13,877
Grants - operating	3.4	28,947	28,338
Grants - capital	3.4	48,629	7,530
Contributions - monetary	3.5	1,085	512
Contributions - non monetary	3.5	4,839	6,133
Other income	3.6	5,794	4,589
Total income		183,224	138,632
EXPENSES			
Employee costs	4.1	(56,553)	(56,253)
Materials and services	4.2	(38,603)	(37,660)
Depreciation and amortisation	4.3	(27,660)	(25,732)
Bad and doubtful debts	4.4	(40)	(21)
Borrowing costs	4.5	(705)	(741)
Net loss on disposal of property, infrastructure, plant and equipment	4.6	(8,543)	(7,532)
Other expenses	4.7	(3,339)	(4,133)
Landfill rehabilitation provision movement	4.5	(913)	(8,982)
Total expenses		(136,356)	(141,054)
Surplus/(deficit) for the year		46,868	(2,422)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	7,196	(26,145)
Total comprehensive result		54,064	(28,567)

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

FINANCIAL REPORT

Balance Sheet

AS AT 30 JUNE 2019

	NOTE	2019 \$'000	2018 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5.1	26,117	23,459
Trade and other receivables	5.1	8,080	8,441
Other financial assets	5.1	96,712	64,518
Non-current assets classified as held for sale	6.1	-	48
Other assets	5.2	3,336	2,961
Total current assets		134,245	99,427
Non-current assets			
Trade and other receivables	5.1	15	18
Property, infrastructure, plant and equipment	6.2	1,167,920	1,150,138
Other financial assets	5.1	2	2
Intangible assets	5.2	1,374	124
Total non-current assets		1,169,311	1,150,282
TOTAL ASSETS		1,303,556	1,249,709
LIABILITIES			
Current liabilities			
Trade and other payables	5.3	9,472	8,010
Trust funds and deposits	5.3	2,640	2,114
Provisions	5.5	19,993	19,209
Interest-bearing loans and borrowings	5.4	9,239	1,573
Total current liabilities		41,344	30,906
Non-current liabilities			
Provisions	5.5	21,012	22,433
Interest-bearing loans and borrowings	5.4	5,826	15,061
Total non-current liabilities		26,838	37,494
TOTAL LIABILITIES		68,182	68,400
NET ASSETS		1,235,374	1,181,309
EQUITY			
Accumulated surplus		744,259	697,515
Reserves	9.1	491,115	483,794
TOTAL EQUITY		1,235,374	1,181,309

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	TOTAL \$'000	ACCUMULATED SURPLUS \$'000	REVALUATION RESERVE \$'000	OTHER RESERVES \$'000
2019					
Balance at beginning of the financial year		1,181,309	697,515	480,390	3,404
Surplus for the year		46,868	46,868	-	-
Net asset revaluation increment	6.2	7,196	-	7,196	-
Transfers to other reserves	9.1	-	(143)	-	143
Transfers from other reserves	9.1	-	18	-	(18)
Balance at end of the financial year		1,235,373	744,258	487,586	3,529
2018					
Balance at beginning of the financial year		1,209,876	700,039	506,535	3,302
Deficit for the year		(2,422)	(2,422)	-	-
Net asset revaluation decrement	6.2	(26,145)	-	(26,145)	-
Transfers to other reserves	9.1	-	(153)	-	153
Transfers from other reserves	9.1	-	51	-	(51)
Balance at end of the financial year		1,181,309	697,515	480,390	3,404

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

FINANCIAL REPORT

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges		77,990	75,636
Statutory fees and fines		2,315	2,271
User fees		14,441	14,221
Grants - operating		29,103	27,717
Grants - capital		50,021	6,389
Contributions - monetary		1,295	345
Interest received		2,921	2,366
Trust funds and deposits taken		11,948	14,789
Other receipts		1,994	2,715
Net GST refund/ (payment)		2,541	3,119
Employee costs		(56,850)	(55,420)
Materials and services		(46,177)	(42,239)
Trust funds and deposits repaid		(11,422)	(15,025)
Other payments		(3,214)	(3,262)
Net cash provided by operating activities	9.2	76,906	33,622
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment		(40,441)	(26,878)
Proceeds from sale of property, infrastructure, plant and equipment		658	905
Payments for investments		(175,712)	(100,584)
Proceeds from sale of investments		143,518	107,584
Net cash used in investing activities		(71,977)	(18,972)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs		(702)	(745)
Proceeds from borrowings		-	2,350
Repayment of borrowings		(1,569)	(1,866)
Net cash used in financing activities		(2,271)	(261)
Net increase/(decrease) in cash and cash equivalents		2,658	14,389
Cash and cash equivalents at the beginning of the financial year		23,459	9,071
Cash and cash equivalents at the end of the financial year		26,117	23,459
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$'000	2018 \$'000
PROPERTY			
Land		-	665
Total land		-	665
Buildings		18,124	6,036
Heritage buildings		5	119
Total buildings		18,129	6,155
Total property		18,129	6,820
PLANT AND EQUIPMENT			
Plant, machinery and equipment		2,473	1,838
Fixtures, fittings and furniture		37	11
Computers and telecommunications		395	273
Art collection		16	12
Total plant and equipment		2,921	2,134
INFRASTRUCTURE			
Roads		10,767	11,590
Bridges		166	294
Footpaths and cycleways		4,577	2,016
Drainage		632	222
Recreational, leisure and community facilities		3,550	-
Waste management		19	2,029
Parks, open space and streetscapes		832	458
Off street car parks		352	319
Other infrastructure		280	-
Total infrastructure		21,175	16,928
Total capital works expenditure		42,225	25,882
Represented by:			
New asset expenditure		20,923	4,804
Asset renewal expenditure		15,577	18,176
Asset expansion expenditure		3,170	38
Asset upgrade expenditure		2,555	2,864
Total capital works expenditure	1.2	42,225	25,882

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2019

OVERVIEW

Introduction

The 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 (Planning 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 6.2)
- The determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- The determination of employee provisions (refer to note 5.5)
- The determination of landfill rehabilitation provisions (refer to note 5.5)

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 4 June 2018. 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 2019 \$'000	ACTUAL 2019 \$'000	VARIANCE 2019 \$'000	VARIANCE 2019 %	REF
INCOME					
Rates and charges	78,100	78,013	(87)	(0%)	
Statutory fees and fines	2,207	2,284	77	3%	
User fees	12,848	13,633	785	6%	1
Grants - operating	26,170	28,947	2,777	11%	2
Grants - capital	40,390	48,629	8,239	20%	3
Contributions - monetary	305	1,085	780	256%	4
Contributions - non monetary	3,000	4,839	1,839	61%	5
Other income	3,757	5,794	2,037	54%	6
Total income	166,777	183,224	16,447	10%	
EXPENSES					
Employee costs	58,126	56,553	1,573	3%	7
Materials and services	36,731	38,603	(1,872)	(5%)	8
Bad and doubtful debts	9	40	(31)	(344%)	9
Depreciation and amortisation	26,197	27,660	(1,463)	(6%)	10
Borrowing costs	732	705	27	4%	
Net loss on disposal of property, infrastructure, plant and equipment	-	8,543	(8,543)	100%	11
Landfill provision movement	-	913	(913)	100%	12
Other expenses	2,861	3,339	(478)	(17%)	13
Total expenses	124,656	136,356	(11,700)	(9%)	
Surplus/(deficit) for the year	42,121	46,868	4,747	11%	

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: PERFORMANCE AGAINST BUDGET (CONTINUED)

(i) Explanation of material variations - income and expenditure

REF	ITEM	EXPLANATION
1	User fees	Outcome: Favourable \$0.79 million (6%) Higher than expected landfill fees (\$1.07M) due to higher than expected levels of commercial waste, third party home care services (\$0.22M) and Local Laws/Emergency Management (\$0.09M). These variances have been partially offset by lower than expected fees in Leisure (\$0.45M) and Child Care (\$0.14M).
2	Grants - operating	Outcome: Favourable \$2.78 million (11%) Unbudgeted funding was received for a number of projects and programs including Preschool programs (\$1.77M), Family Health and Development programs (\$0.96M), Arts and Events (\$0.43M), Economic Development (\$0.36M) and Community Development (\$0.32M). These variances have been partially offset by funding budgeted for the Latrobe City Sports & Entertainment Stadium lighting that was not successful (\$1.00M).
3	Grants - capital	Outcome: Favourable \$8.24 million (20%) Greater than expected capital grant funding was received, mainly associated with Latrobe Valley Sports and Community Initiative projects (\$15.60M State Funding and \$0.61M Commonwealth Funding) grants received earlier than expected, along with unbudgeted grants for the Monash Reserve Pavilion and Courts Redevelopment project (\$2.70M), Nation Building Blackspot and Fixing Country Roads Programs (\$1.19M). These variances have been partially offset by lower than expected funding of the Gippsland Logistics Precinct (GLP) and Gippsland Intermodal Freight Terminal (GIFT) project (\$1.60M shortfall to budget), Haunted Hills Mountain Bike Park (\$1.20M to be managed externally) and Latrobe City Sports & Entertainment Stadium (\$1.35M unsuccessful grants), together with timing variances associated with the receipt of grants funding for the GLP/ GIFT project (\$4.57M), Latrobe Creative Precinct (\$1.78M) and Future Morwell Project (\$1.68M) now expected to be received in future financial years.
4	Contributions - monetary	Outcome: Favourable \$0.78 million (256%) Unbudgeted funding contributions were received for the Latrobe Regional Hospital Footpath Access Project (\$0.50M) and the Traralgon Tennis Club LED Lighting upgrade project (\$0.23M).
5	Contributions - non monetary	Outcome: Favourable \$1.84 million (61%) 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 2018/19 mainly due to the budget being based on conservative development projections due to the uncertainty of timing of developers requesting a Statement of Compliance for their subdivisions.
6	Other income	Outcome: Favourable \$2.04 million (54%) Higher than expected interest income relating to investments and outstanding property rates and charges balances (\$1.14M) together with unbudgeted reimbursements (\$0.48M), mainly relating to Major Events and third party reimbursements
7	Employee costs	Outcome: Favourable \$1.57 million (3%) The favourable variance relates mainly to additional project management wages recovery from capital projects incorrectly budgeted as operating (\$0.84M), along with other savings in Long Service Leave expense (\$0.37M), Fringe Benefits Tax (\$0.17M) and Workcover Levy (\$0.17M).
8	Materials and services	Outcome: Unfavourable \$1.87 million (5%) Additional expenditure was incurred that is funded by unbudgeted grants, other external income sources or funding surpluses carried forward from previous financial periods. The main areas of additional expenditure were the Yinnar South Walhalla Fires Disaster Response (\$0.72M), Family Services programs (\$0.42M), Startup Gippsland project (\$0.35M), Planning Services (\$0.35M) and Latrobe Valley Authority sponsored Major Events (\$0.33M).

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

REF	ITEM	EXPLANATION
9	Bad and doubtful debts	Outcome: Unfavourable \$0.03 million (344%) The majority of the variation mainly relates to the write-off of long term unrecoverable Library lost book charges (\$0.02M).
10	Depreciation and amortisation	Outcome: Unfavourable \$1.46 million (6%) The unfavourable variance is mainly due to higher than anticipated depreciation on buildings as a result of the revaluation undertaken at the end of the 2017/18 financial year.
11	Net loss on disposal of property, infrastructure, plant and equipment	Outcome: Unfavourable \$8.54 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 to the 2018/19 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 (\$4.9M) and buildings (\$1.7M). Additionally a number of buildings and pools have been demolished in relation to Capital Works projects e.g. Traralgon Outdoor Pool, Traralgon Croquet Club and Monash Reserve Newborough. These disposals/write-offs were not factored into to the budget calculations.
12	Landfill provision movement	Outcome: Unfavourable \$0.91 million (100%) A significant fall in the discount interest rates used to calculate the net present value (NPV) of the provision has resulted in the requirement for a \$0.91M increase in the provision for landfill rehabilitation. Due to the unpredictable nature of these movements, no allowance was made in the 2018/19 budget for this item.
13	Other expenses	Outcome: Unfavourable \$0.48 million (17%) The unfavourable balance is mainly attributable to above budget levels of State Government landfill levies associated with increased levels of waste to landfill during the year (\$0.39M) . In addition there was also a requirement to expense \$0.25M of the opening work in progress balance mainly due to infrastructure works undertaken on behalf of a property development on an road intersection asset which will be owned by the State Government.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: PERFORMANCE AGAINST BUDGET (CONTINUED)**1.2 CAPITAL WORKS**

	BUDGET 2019 \$'000	ACTUAL 2019 \$'000	VARIANCE 2019 \$'000	VARIANCE 2019 %	REF
PROPERTY					
Buildings	31,527	18,124	13,403	43%	1
Heritage buildings	-	5	(5)	100%	2
Total buildings	31,527	18,129	13,398	42%	
Total property	31,527	18,129	13,398	42%	
PLANT AND EQUIPMENT					
Plant, machinery and equipment	2,282	2,473	(191)	(8%)	
Fixtures, fittings and furniture	10	37	(27)	(270%)	3
Computers and telecommunications	700	395	305	44%	4
Art collection	15	16	(1)	(7%)	
Total plant and equipment	3,007	2,921	86	3%	
INFRASTRUCTURE					
Roads	9,716	10,767	(1,051)	(11%)	5
Bridges	150	166	(16)	(11%)	6
Footpaths and cycleways	4,537	4,577	(40)	(1%)	
Drainage	895	632	263	29%	7
Recreational, leisure and community facilities	6,917	3,550	3,367	49%	8
Waste management	1,600	19	1,581	99%	9
Parks, open space and streetscapes	3,265	832	2,433	75%	10
Off street car parks	-	352	(352)	100%	11
Other infrastructure	7,000	280	6,720	96%	12
Total infrastructure	34,080	21,175	12,905	38%	
Total capital works expenditure	68,614	42,225	26,389	38%	
Represented by:					
New asset expenditure	36,739	20,923	15,816	43%	13
Asset renewal expenditure	17,528	15,577	1,951	11%	14
Asset expansion expenditure	20	3,170	(3,150)	(15750%)	15
Asset upgrade expenditure	14,327	2,555	11,772	82%	16
Total capital works expenditure	68,614	42,225	26,389	38%	

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

(i) Explanation of Material Variations – Capital Works

REF	ITEM	EXPLANATION
1	Buildings	Outcome: Underspend \$13.40 million (43%) The variance is mainly associated with changes in timing of projects which span multiple years, the unspent portion is now expected to be spent in the 2019/20 financial year. Project variations include Latrobe Creative Precinct (\$8.7M), Traralgon Sports Stadium (\$2.2M) and Ted Summerton Reserve (\$2.2M). Additionally budgeted works at the Latrobe City Sports & Entertainment Stadium (\$1.35M) did not progress as a result of the associated government grants not being approved. The variance was partially offset by expenditure on the Morwell Recreation Reserve Shared Sports Pavilion which was budgeted under the Recreation, leisure and community facilities category.
2	Heritage buildings	Outcome: Overspend \$0.01 million (100%) Overspend relates to costs incurred on the Traralgon Court House upgrade project, which were funded from amounts received/allocated in previous financial years.
3	Fixtures, fittings and furniture	Outcome: Overspend \$0.03 million (270%) Additional expenditure funded from operational budgets.
4	Computers and telecommunications	Outcome: Underspend \$0.30 million (44%) The variance is mainly associated with items purchased from this budget that were under Council's capitalisation threshold of \$1,000 and therefore not recognised as capital expenditure e.g. mobile phones, laptops, docking stations, wi-fi access points and other minor items.
5	Roads	Outcome: Overspend \$1.05 million (11%) The additional expenditure was mainly associated with additional government grant funding received for the Fixing Country Roads Program (\$0.41M) and Nation Building Blackspot Program (\$0.46M).
6	Bridges	Outcome: Overspend \$0.02 million (11%) The additional expenditure relates to works funded in the previous financial year relating to bridge design at Downies Lane.
7	Drainage	Outcome: Underspend \$0.26 million (29%) Drainage augmentation works relating to Furlonger/Nixon Court Traralgon were unable to be completed in 18/19 and will carry forward to 19/20 year (\$0.20M). Montane Estate Newborough (\$0.05M) and Josie Place Morwell Open Earth Drain (\$0.04M) were also unable to be completed and will now carry over to the 2019/20 financial year.
8	Recreational, leisure and community facilities	Outcome: Underspend \$3.37 million (49%) The budget underspend relates to the government funded Haunted Hills Mountain Bike Park which will not be received/managed by Council (\$1.2M). Works associated with the Morwell Recreation Reserve Shared Sports Pavilion have been reclassified as buildings (\$1.25M) along with the Sports Lighting component of the project (\$0.4M) being expensed to the income statement in accordance with the asset recognition policy.
9	Waste management	Outcome: Underspend \$1.58 million (99%) The Landfill Biogas to Energy Project has been delayed with funding to be carried forward to the 2019/20 year.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: PERFORMANCE AGAINST BUDGET (CONTINUED)**(i) Explanation of Material Variations – Capital Works (continued)**

REF	ITEM	EXPLANATION
10	Parks, open space and streetscapes	Outcome: Underspend \$2.43 million (75%) Delays have been experienced in relation to the Future Morwell project (\$1.7M) these works have now been rescheduled into 2019/20. Delays with finalising funding agreements associated with the Moe AAA play space (\$0.3M) and the Moe Botanic Gardens Play Space (\$0.3M) will also result in these projects being carried forward for completion in the 2019/20 financial year.
11	Off street car parks	Outcome: Overspend \$0.35 million (100%) Expenditure associated with Off Street Car Parking constructed as part of Traralgon Croquet Club relocation is included in this category, however was fully funded as part of the Gippsland Regional Aquatic Centre for which the budget was classified as buildings.
12	Other infrastructure	Outcome: Underspend \$6.72 million (96%) Delays associated with the design, infrastructure, recognition and cultural heritage relating to the Gippsland Logistics Precinct have resulted in this project being delayed into a future budget. Additionally the funding secured for this project is \$5.37M compared to the budget of \$7.0M.
13	New asset expenditure	Outcome: Underspend \$15.82 million (43%) A number of projects have been delayed to the 2019/20 financial year, most notably the Latrobe Creative Precinct (\$8.7M), Gippsland Logistics Precinct and Intermodal Freight Terminal (\$6.7M), Ted Summerton Reserve (\$2.1M), Landfill Biogas to Energy Project (\$1.6M) and Future Morwell Project (\$1.7M). These variances are partially offset by expenditure on projects budgeted as upgrade expenditure e.g. Latrobe City Sports and Entertainment Stadium Synthetic Oval (\$1.95M) and Morwell Recreation Reserve Pavilion and Synthetic Oval (\$2.8M).
14	Asset renewal expenditure	Outcome: Underspend \$1.95 million (11%) The underspend relates to budgeted expenditure for unsuccessful government grants funding for the Latrobe City Sports & Entertainment Stadium (\$1.35M), together with delays in the Building Renewal Program (\$0.6M).
15	Asset expansion expenditure	Outcome: Overspend \$3.15 million (15750%) The Traralgon Sports Stadium project was budgeted as upgrade expenditure but the actual expenditure has been reclassified as expansion (\$3.2M).
16	Asset upgrade expenditure	Outcome: Underspend \$11.77 million (82%) Expenditure associated with Traralgon Sports Stadium (\$5.4M), Morwell Recreation Reserve (\$3.5M) and Latrobe City Sports and Entertainment Stadium (\$2.1M) was categorised in the budget as upgrade however when broken down into individual assets the actual expenditure has been classified as Expansion and New works resulting in an underspend showing in this category.

NOTE 2: ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

2.1 (a)**Office of the Chief Executive**

- Office of the Chief Executive
- Mayoral & Council Support and Operations
- Regional Strategy

City Development

- Economic Development
- Arts and Events
- Statutory Planning and Municipal Services
- Future Planning

Corporate Services

- Finance
- Information Services
- Governance
- Performance and Innovation
- People and Culture

Infrastructure & Recreation

- Recreation
- Infrastructure Development (Infrastructure Design, Infrastructure Planning, Civil Works and Major Projects and Building Maintenance)
- Infrastructure Operations (includes Environment Sustainability, Infrastructure Maintenance and Parks, Gardens and Playgrounds)

Community Services

- Community Resilience
- Community Development
- Communications and Customer Relations
- Aged and Disability
- Family Services

Waste & Landfill

- Landfill Operations
- Waste and Recycling
- Litter Bins
- Garbage Charge revenue

Major Recreation Projects

Latrobe Valley Sports and Community Initiative Project
Director's Office

Other Operating

Other unattributable items e.g. Loan interest, unattributable cash and investments and sundry receivables. A surplus is expected to be generated to fund repayment of loan principal.

Capital Works Program

Capital Works Program (includes items not capitalised, excludes Latrobe Valley Sports and Community Initiative and Waste and Landfill capital works)

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2: ANALYSIS OF COUNCIL RESULTS BY PROGRAM (CONTINUED)**(b) Summary of revenues, expenses, assets and capital expenses by program**

	INCOME \$'000	EXPENSES \$'000	SURPLUS/ (DEFICIT) \$'000	GRANTS INCLUDED IN INCOME \$'000	TOTAL ASSETS \$'000
2019					
Office of the Chief Executive	1,544	(1,425)	119	180	45
City Development	14,651	(15,025)	(374)	2,474	42,786
Corporate Services	15,129	(15,471)	(342)	1,862	3,926
Infrastructure & Recreation	48,072	(56,092)	(8,020)	7,136	1,006,936
Community Services	31,827	(31,054)	773	14,789	83,605
Waste & Landfill	17,038	(12,046)	4,992	215	28,577
Major Recreation Projects*	37,409	(93)	37,316	37,143	29,436
Other Operating	3,059	(563)	2,496	333	75,626
Capital Works Program	14,495	(4,587)	9,908	13,444	32,619
	183,224	(136,356)	46,868	77,576	1,303,556
2018					
Office of the Chief Executive	1,439	(1,453)	(14)	186	48
City Development	14,115	(15,494)	(1,379)	2,167	43,572
Corporate Services	15,665	(14,350)	1,315	2,388	1,357
Infrastructure & Recreation	48,419	(53,013)	(4,594)	7,235	1,003,441
Community Services	29,756	(28,964)	792	14,193	88,485
Waste & Landfill	16,411	(19,437)	(3,026)	292	27,702
Major Recreation Projects	2,678	(416)	2,262	2,678	132
Other Operating	3,428	(992)	2,436	352	60,308
Capital Works Program	6,721	(6,935)	(214)	6,377	24,664
	138,632	(141,054)	(2,422)	35,868	1,249,709

* There is a material variance identified in Major Recreation Projects when compared to 2018. This is attributable to the receipt of Government Grant funding associated with the construction of major recreational projects which include Traralgon Sports Stadium, Gippsland Regional Aquatic Centre, Morwell Recreation Reserve and others. The increased revenue is reflective of the works completed to date and funding received in advance. The completed works and works in progress are included in the Total Assets.

NOTE 3: FUNDING FOR THE DELIVERY OF OUR SERVICES**3.1 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.

The valuation base used to calculate general rates for 2018/19 was \$11,355.50 million (2017/18 was \$10,796.84 million).

The applicable rates in the CIV dollar were:

	2019 \$'000	2018 \$'000
General	0.00468373	0.00475557
Farm	0.00351280	0.00356668
Derelict properties	0.01405120	0.01426672
Cultural and recreational	0.00234187	0.00237778
Cultural and recreational with gaming facilities	0.00281024	0.00285334

This derived rate revenues of:

	2019 \$'000	2018 \$'000
General rates	52,123	50,312
Municipal charge	5,250	5,086
Garbage charge	11,992	10,964
EPA Victoria landfill levy	724	706
Supplementary rates and rates adjustments	169	691
Cultural and recreational	84	83
Revenue in lieu of rates	7,671	7,508
Total rates and charges	78,013	75,350

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)

	2019 \$'000	2018 \$'000
3.2 STATUTORY FEES AND FINES		
Infringement and costs	477	623
Town planning fees	10	11
Land information certificates	72	71
Permits	713	613
Health registrations	369	353
Animal registrations	527	480
Other	116	152
Total statutory fees and fines	2,284	2,303

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.

3.3 USER FEES

Aged and health services	1,923	1,793
Leisure centre and recreation	3,203	3,410
Child care/children's programs	4,241	4,174
Waste management services	3,029	3,372
Other fees and charges	1,237	1,128
Total user fees	13,633	13,877

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT

Grants were received in respect of the following:

SUMMARY OF GRANTS

Commonwealth funded grants	20,021	19,602
State funded grants	57,555	16,266
Total	77,576	35,868

GRANTS – OPERATING**Recurrent – Commonwealth Government**

Victorian Grants Commission	11,660	12,329
Aged and disability programs	2,946	2,791
Family and children programs	62	110
Employment facilitation	147	521

Recurrent – State Government

Aged and disability programs	1,754	2,424
Preschools	4,249	3,404
Family and children programs	2,290	2,031
Maternal and child health	1,202	1,221
Libraries	509	509
Arts programs	155	155
Rural access program	135	129
School crossing supervision	199	122
Community health	18	26
Environment sustainability	29	-
Other	-	28

Total grants – operating (recurrent)	25,355	25,800
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)**3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (CONTINUED)**

	2019 \$'000	2018 \$'000
Non-recurrent – Commonwealth Government		
Public lighting	(38)	170
Community support and development programs	40	110
Environment sustainability	50	-
Other	3	11
Non-recurrent – State Government		
Arts program	156	-
Events and international relations	275	412
Natural disaster recovery	109	-
Economic development	424	119
Infrastructure planning	132	-
Public lighting	190	-
Recreational, leisure and community facilities	1,818	1,383
Community support and development programs	243	132
Waste and landfill	90	145
Other	100	56
Total grants – operating (non-recurrent)	3,592	2,538
TOTAL GRANTS – OPERATING	28,947	28,338
GRANTS – CAPITAL		
Recurrent – Commonwealth Government		
Roads to recovery program	1,181	2,384
Total grants – capital (recurrent)	1,181	2,384
Non-recurrent – Commonwealth Government		
Footpath and cycleways	982	290
Recreation, leisure and community facilities	2,480	886
Buildings	270	-
Other	238	-
Non-recurrent – State Government		
Buildings	32,027	1,116
Roads	1,194	786
Drainage	-	(31)
Footpath and cycleways	1,665	621
Recreation, leisure and community facilities	7,592	1,478
Parks, open spaces and streetscapes	200	-
Other infrastructure	800	-
Total grants – capital (non-recurrent)	47,448	5,146
TOTAL GRANTS – CAPITAL	48,629	7,530
TOTAL GRANTS	77,576	35,868

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$'000	2018 \$'000
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	12,620	12,340
Received during the financial year and remained unspent at balance date	36,309	11,762
Received in prior years and spent during the financial year	(10,642)	(11,482)
Balance at year end*	38,287	12,620

* Note: Council received an advance of \$6.0 million of 2019/20 Victoria Grants Commission funding in June 2019, while this funding has no specific conditions attached, it is required to be carried forward as a funding source for the 2019/20 budget year. In addition, \$20.1 million was received as lump sums for Major Recreation Projects which will be spent in the 2019/20 financial 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.

3.5 CONTRIBUTIONS

Monetary	1,085	512
Non-monetary	4,839	6,133
Total contributions	5,924	6,645

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

Land	637	1,097
Buildings	-	530
Roads	1,943	2,309
Other Infrastructure	2,203	2,173
Other	56	24
Total non-monetary contributions	4,839	6,133

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: FUNDING FOR THE DELIVERY OF OUR SERVICES (CONTINUED)**3.6 OTHER INCOME**

Interest	3,240	2,388
Other rent	779	742
Sales	551	611
Contributions other	1,031	653
Insurance	13	150
Rebates	142	-
Other	38	45
Total other income	5,794	4,589

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 4: THE COST OF DELIVERING SERVICES

	2019 \$'000	2018 \$'000
4.1 EMPLOYEE COSTS		
Salaries and wages	48,309	47,780
Workcover	1,155	1,119
Superannuation	4,532	4,369
Fringe benefits tax	329	394
Other	2,228	2,591
Total employee costs	56,553	56,253

(b) Superannuation

Council made contributions to the following funds:

Defined benefits funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	361	376
Employer contributions payable at reporting date	-	-
Total define benefits	361	376

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,765	3,587
Employer contributions payable at reporting date	406	406
Total accumulation funds	4,171	3,993

Refer to note 9.3 for further information relating to Council's superannuation obligations.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$'000	2018 \$'000
4.2 MATERIALS AND SERVICES		
Cleaning	935	954
Family day care educators	707	775
Vehicle expenses	1,076	1,071
Disaster response - Yinnar South fires	660	-
Parks and reserves	46	663
Sporting grounds and facilities	2,798	2,843
Domestic rubbish collection	3,315	3,132
Transfer stations	999	978
Materials recovery facility	740	514
Green waste processing	612	572
Litter bins	458	458
Street sweeping	531	477
Other contracts	5,518	5,682
Building maintenance	865	1,055
General maintenance	3,315	3,650
Utilities	3,249	2,686
Office administration	2,297	2,506
Information technology	2,296	1,709
Insurance	879	801
Consultants	2,475	2,790
Other	4,832	4,344
Total materials and services	38,603	37,660

4.3 DEPRECIATION AND AMORTISATION

Property	5,916	4,171
Plant, furniture and equipment	2,090	2,047
Infrastructure	19,068	18,840
Total depreciation	27,074	25,058
Intangible assets	586	674
Total depreciation and amortisation	27,660	25,732

Refer to note 5.2(b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: THE COST OF DELIVERING SERVICES (CONTINUED)

	2019 \$'000	2018 \$'000
4.4 BAD AND DOUBTFUL DEBTS		
Other debtors	40	21
Total bad and doubtful debts*	40	21
Movement in provision for doubtful debts		
Balance at the beginning of the year	21	23
New provisions recognised during the year	43	9
Amounts already provided for and written off as uncollectible	(4)	(10)
Amounts provided for but recovered during the year	(1)	(1)
Balance at the end of the year	59	21

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

4.5 BORROWING COSTS

Interest on borrowings	705	741
Total borrowing costs	705	741

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.

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

Proceeds of sale	610	905
Write down value of assets disposed (sold/written off)	(2,594)	(738)
Write down value of assets disposed (asset renewal)	(6,559)	(7,699)
Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment	(8,543)	(7,532)

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

4.7 OTHER EXPENSES

Auditors' remuneration - VAGO	61	59
Auditors' remuneration - Internal	57	99
Audit other	26	45
Councillors' allowances	310	304
Operating lease rentals	71	62
Grants	1,041	1,107
Levies	1,522	1,560
Assets written-off/impaired	251	897
Total other expenses	3,339	4,133

NOTE 5: OUR FINANCIAL POSITION

	2019 \$'000	2018 \$'000
5.1 FINANCIAL ASSETS		
(a) Cash and cash equivalents		
Cash on hand	11	14
Cash at bank	11,106	23,445
Term deposits	15,000	-
Total cash and cash equivalents	26,117	23,459
(b) Other financial assets		
Term deposits - current (>90days)	96,712	64,518
Total other financial assets	96,712	64,518
Total financial assets	122,829	87,977
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 5.3)	2,640	2,114
Total restricted funds	2,640	2,114
Total unrestricted cash and cash equivalents	23,477	21,345
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 9.1 (b))	3,529	3,404
Cash held to fund carried forward capital works	11,092	6,729
Unexpended grants (Note 3.4 – net increase of \$25.67 million from 2018 to 2019)	38,287	12,620
Funds held to rehabilitate previous landfill cells and fund future landfill cell construction	21,059	20,473
Funds held to repay principal for "Interest Only" loan facility	6,656	5,083
Funds held to meet future Information Technology capital investment requirements	4,862	5,283
Funds held to meet future Developer Contribution Plan (DCP) infrastructure requirements	875	965
Total funds subject to intended allocations	86,360	54,557
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	122,831	87,979

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: OUR FINANCIAL POSITION (CONTINUED)**5.1 FINANCIAL ASSETS (CONTINUED)**

	2019 \$'000	2018 \$'000
(c) Trade and other receivables		
CURRENT		
Statutory receivables		
Rates debtors*	3,938	3,865
Health Registrations	2	1
Goods and services tax (GST)	1,036	753
Non-statutory receivables		
Loans and advances to community organisations	5	8
Other debtors	3,159	3,835
Provision for doubtful debts - other debtors	(60)	(21)
Total current trade and other receivables	8,080	8,441
NON-CURRENT		
Non-statutory receivables		
Loans and advances to community organisations	15	18
Total non-current trade and other receivables	15	18
Total trade and other receivables	8,095	8,459

*Rates are payable by four instalments during the year or by lump sum in February. Arrears attract interest, currently at the rate of 10.0% per annum.

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.

(a) 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)	968	2,629
Past due by up to 30 days	964	871
Past due between 31 and 60 days	162	54
Past due between 61 and 90 days	87	56
Past due by more than 90 days	998	251
Total trade and other receivables	3,179	3,861

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$'000	2018 \$'000
b) Ageing of individually impaired receivables		
At balance date, other debtors representing financial assets with a nominal value of \$60K (2018 \$21K) were impaired. The amount of the provision raised against these debtors was \$60K (2018 \$21K). 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
Past due by more than 90 days	60	20
Total trade and other receivables	60	21

5.2 NON FINANCIAL ASSETS**(a) Other assets**

Prepayments	582	504
Accrued income	2,754	2,457
Total other assets	3,336	2,961

(b) Intangible assets

Software	61	124
Landfill air space	1,313	-
Total intangible assets	1,374	124

	SOFTWARE \$'000	LANDFILL AIR SPACE \$'000	TOTAL \$'000
Gross carrying amount			
Balance at 1 July 2018	1,147	16,586	17,733
Additions from internal developments	-	1,836	1,836
Other additions	-	-	-
Balance at 30 June 2019	1,147	18,422	19,569
Accumulated amortisation and impairment			
Balance at 1 July 2018	(1,023)	(16,586)	(17,609)
Amortisation expense	(63)	(523)	(586)
Balance at 30 June 2019	(1,086)	(17,109)	(18,195)
Net book value at 30 June 2018	124	-	124
Net book value at 30 June 2019	61	1,313	1,374

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: OUR FINANCIAL POSITION (CONTINUED)

	2019 \$'000	2018 \$'000
5.3 PAYABLES		
(a) Trade and other payables		
Trade payables	8,378	7,050
Accrued expenses	1,094	960
Total trade and other payables	9,472	8,010
(b) Trust funds and deposits		
Refundable deposits	1,868	1,689
Fire Service Levy	597	284
Retention amounts	95	95
Other refundable deposits	80	46
Total trust funds and deposits	2,640	2,114

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.

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.

5.4 INTEREST-BEARING LIABILITIES

	2018 \$'000	2017 \$'000
Current		
Borrowings – secured	9,239	1,573
Total current	9,239	1,573
Non-current		
Borrowings – secured	5,826	15,061
Total non-current	5,826	15,061
Total interest-bearing loans and borrowings	15,065	16,634

All borrowings are secured over Council's rate revenue

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$'000	2018 \$'000
The maturity profile for Council's borrowings is:		
Not later than one year	9,239	1,573
Later than one year and not later than five years	1,429	10,426
Later than five years	4,397	4,635
	15,065	16,634

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.

5.5 PROVISIONS

	ANNUAL LEAVE \$'000s	LONG SERVICE LEAVE \$'000s	LANDFILL REHABILITATION \$'000s	TOTAL \$'000s
2019				
Balance at beginning of the financial year	4,576	10,055	27,011	41,642
Additional/(reduced) provisions	3,919	1,166	1,836	6,921
Amounts used	(4,217)	(1,184)	(3,209)	(8,610)
Increase/(decrease) in the discounted amount arising because of time and effect of any change in the discount rate	7	132	913	1,052
Balance at the end of the financial year	4,285	10,169	26,551	41,005
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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: OUR FINANCIAL POSITION (CONTINUED)**5.5 PROVISIONS (CONTINUED)****(a) Employee provisions**

	2019 \$'000	2018 \$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	3,985	4,250
Long service leave	2,542	2,387
	6,527	6,637
Current provisions expected to be wholly settled after 12 months		
Annual leave	300	326
Long service leave	5,864	5,765
	6,164	6,091
Total current employee provisions	12,691	12,729
Non-current		
Long service leave	1,763	1,902
Total non-current employee provisions	1,763	1,902
Aggregate carrying amount of employee provisions		
Current	12,691	12,729
Non-current	1,763	1,902
	14,454	14,631

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.

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	1.07%	2.19%
Inflation rate	2.70%	3.88%
Settlement period	25 years	25 years

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$'000	2018 \$'000
(b) Landfill restoration		
Current	7,302	6,480
Non-current	19,249	20,531
Total	26,551	27,011

Council is obligated to restore the current Highland Highway landfill site and legacy 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.

Key assumptions:

Discount rate	0.94%	1.72%
Inflation rate	2.50%	2.50%
Settlement period	4.8 years	4.0 years

5.6 FINANCING ARRANGEMENTS

Bank overdraft	1,000	1,000
Credit card facilities	500	500
Other facilities	15,065	16,634
Total facilities	16,565	18,134
Used facilities	15,145	16,663
Unused facilities	1,420	1,471

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: OUR FINANCIAL POSITION (CONTINUED)**5.7 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 \$'000	LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS \$'000	LATER THAN 2 YEARS AND NOT LATER THAN 5 YEARS \$'000	LATER THAN 5 YEARS \$'000	TOTAL \$'000
2019					
OPERATING					
Recycling	2,229	-	-	-	2,229
Garbage collection	3,442	1,764	-	-	5,206
Processing of organic waste	1,056	541	-	-	1,597
Courier service	69	-	-	-	69
Cleaning contracts for council amenities/streets	1,246	625	-	-	1,871
Cleaning contracts for council buildings	1,060	-	-	-	1,060
Meals for delivery	307	-	-	-	307
Software	53	-	-	-	53
Landfill	364	167	-	-	531
Recreation	355	-	-	-	355
Total	10,181	3,097	-	-	13,278
CAPITAL CONSTRUCTION					
Buildings	54,372	8,443	-	-	62,815
Landfill	176	-	-	-	176
Footpaths and cycleways	709	-	-	-	709
Recreation	1,835	-	-	-	1,835
Roads	650	-	-	-	650

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

	NOT LATER THAN 1 YEAR \$'000	LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS \$'000	LATER THAN 2 YEARS AND NOT LATER THAN 5 YEARS \$'000	LATER THAN 5 YEARS \$'000	TOTAL \$'000
Total	57,742	8,443	-	-	66,185
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

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):

	2019 \$'000	2018 \$'000
Not later than one year	59	122
Later than one year and not later than five years	165	243
Later than five years	1,096	1,159
Total Operating Lease Commitments	1,320	1,524

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: ASSETS WE MANAGE**6.1 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

	2019 \$'000	2018 \$'000
Cost of acquisition	-	48
Total non-current assets classified as held for sale	-	48

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of their 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.

6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	AT FAIR VALUE 30 JUNE 2018	ACQUISITIONS	CONTRIBUTIONS	REVALUATION	DEPRECIATION	DISPOSAL	TRANSFERS	AT FAIR VALUE 30 JUNE 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	173,743	-	637	-	-	-	-	174,380
Buildings	202,937	4,143	-	-	(5,916)	(3,331)	1,686	199,519
Plant and equipment	11,694	2,922	56	-	(2,090)	(229)	-	12,353
Infrastructure	751,571	10,272	4,146	7,196	(19,068)	(5,593)	7,745	756,269
Work in progress	10,193	24,888	-	-	-	(251)	(9,431)	25,399
	1,150,138	42,225	4,839	7,196	(27,074)	(9,404)	-	1,167,920

Summary of works in progress

	OPENING WIP \$'000	ADDITIONS \$'000	TRANSFERS \$'000	WRITE OFFS \$'000	CLOSING WIP \$'000
Buildings	1,726	13,986	(1,686)	(5)	14,021
Infrastructure	8,467	10,902	(7,745)	(246)	11,378
Total	10,193	24,888	(9,431)	(251)	25,399

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

(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 2018		127,168	46,575	173,743	267,675	267,675	1,726	443,144
Accumulated depreciation at 1 July 2018		-	-	-	(64,738)	(64,738)	-	(64,738)
		127,168	46,575	173,743	202,937	202,937	1,726	378,406
Movements in fair value								
Additions		-	-	-	4,143	4,143	13,986	18,129
Contributions		637	-	637	-	-	-	637
Disposal		-	-	-	(4,407)	(4,407)	-	(4,407)
Write-off		-	-	-	-	-	(5)	(5)
Transfers		-	-	-	1,686	1,686	(1,686)	-
		637	-	637	1,422	1,422	12,295	14,354
Movements in accumulated depreciation								
Depreciation and amortisation		-	-	-	(5,916)	(5,916)	-	(5,916)
Accumulated depreciation of disposals		-	-	-	1,076	1,076	-	1,076
		-	-	-	(4,840)	(4,840)	-	(4,840)
At fair value 30 June 2019		127,805	46,575	174,380	269,097	269,097	14,021	457,498
Accumulated depreciation at 30 June 2019		-	-	-	(69,578)	(69,578)	-	(69,578)
		127,805	46,575	174,380	199,519	199,519	14,021	387,920

(b) Plant and equipment

	NOTE	PLANT \$'000	FIXTURES \$'000	COMPUTERS \$'000	ART COLLECTION \$'000	TOTAL PLANT \$'000
At fair value 1 July 2018		15,087	1,734	5,750	3,626	26,197
Accumulated depreciation at 1 July 2018		(8,447)	(1,341)	(4,715)	-	(14,503)
		6,640	393	1,035	3,626	11,694
Movements in fair value						
Additions		2,474	37	395	16	2,922
Contributions		-	-	-	56	56
Disposal		(1,332)	-	-	-	(1,332)
		1,142	37	395	72	1,646
Movements in accumulated depreciation						
Depreciation and amortisation		(1,671)	(70)	(349)	-	(2,090)
Accumulated depreciation of disposals		1,103	-	-	-	1,103
		(568)	(70)	(349)	-	(987)
At fair value 30 June 2019		16,229	1,771	6,145	3,698	27,843
Accumulated depreciation at 30 June 2019		(9,015)	(1,411)	(5,064)	-	(15,490)
		7,214	360	1,081	3,698	12,353

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: ASSETS WE MANAGE (CONTINUED)**6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (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 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 1 July 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
Movements in fair value											
Additions		184	2,721	492	19	454	-	347	-	10,902	21,174
Contributions		-	640	1,580	-	-	-	-	-	-	4,163
Revaluations		-	9,219	-	-	4,680	-	-	(2,406)	-	11,493
Disposal		(163)	(17)	(143)	-	(89)	-	(6)	(854)	(246)	(9,952)
Transfers		-	-	39	3,063	390	-	-	(286)	(7,745)	-
	4,103	21	12,563	1,968	3,082	5,435	-	341	(3,546)	2,911	26,878
Movements in accumulated depreciation											
Depreciation and amortisation	(13,777)	(567)	(1,437)	(1,659)	(878)	(194)	(226)	(148)	(182)	-	(19,068)
Contributions	-	-	(3)	(14)	-	-	-	-	-	-	(17)
Revaluations	-	-	(3,056)	-	-	(1,356)	-	-	115	-	(4,297)
Accumulated depreciation of disposals	3,752	65	6	110	-	82	-	-	98	-	4,113
Transfers	-	-	-	-	-	(29)	-	-	29	-	-
	(10,025)	(502)	(4,490)	(1,563)	(878)	(1,497)	(226)	(148)	60	-	(19,269)
At fair value 30 June 2019	730,050	55,398	92,502	208,452	10,145	9,304	4,928	7,276	6,067	11,378	1,135,500
Accumulated depreciation at 30 June 2019	(211,768)	(23,204)	(30,664)	(88,757)	(7,941)	(3,090)	(919)	(777)	(733)	-	(367,853)
	518,282	32,194	61,838	119,695	2,204	6,214	4,009	6,499	5,334	11,378	767,647

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

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	20-40 years	5.0
Recreation, leisure and community facilities	40 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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: ASSETS WE MANAGE (CONTINUED)**6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)****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 2019 are as follows:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000
Land – non specialised	-	46,575	-
Land – specialised	-	-	127,805
Buildings – specialised	-	-	199,519
Total	-	46,575	327,324

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 detailed in the following table. An index based revaluation was conducted in the current year for Footpaths and cycleways, this valuation was based on Rawlinson's Australian Construction Handbook unit rates, a full revaluation of these assets will be conducted in 2019/20.

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 2019 are as follows:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	DATE OF VALUATION
Roads	-	-	518,282	Jun-2015
Bridges	-	-	32,194	Jun-2015
Footpaths and cycleways	-	-	61,838	Jun-2019
Drainage	-	-	119,695	Jun-2015
Recreational, leisure and community facilities	-	-	2,204	Jun-2019
Waste management	-	-	6,214	n/a
Parks, open space and streetscapes	-	-	4,009	Jun-2019
Aerodromes	-	-	6,499	Jun-2015
Off street car parks	-	-	5,334	Jun-2015
Total	-	-	756,269	

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.

	2019 \$'000	2018 \$'000
Reconciliation of specialised land		
Land under roads	17,756	17,728
Parks, reserves and other	110,049	109,440
Total specialised land	127,805	127,168

6.3 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 2019, 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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7 PEOPLE AND RELATIONSHIPS**7.1 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:

Councillors

- Councillor D White (Mayor from 1/07/2018 to 1/11/2018)
- Councillor G Middlemiss (Mayor from 2/11/2018 to 30/06/2019)
- Councillor K O'Callaghan
- Councillor D Clancey
- Councillor S Gibson
- Councillor D Harriman
- Councillor D Howe
- Councillor B Law
- Councillor A McFarlane

Other KMP

- Chief Executive Officer
- General Manager Infrastructure & Recreation - (two KMP held this role during the year)
- General Manager Community Services - (two KMP held this role during the year)
- General Manager City Development
- General Manager Corporate Services

	2019 No.	2018 No.
Total number of councillors	9	9
Chief Executive Officer and other Key Management Personnel	7	8
Total Key Management Personnel	16	17

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2019 \$,000	2018 \$,000
Short-term benefits	1,525	1,523
Post-employment benefits	98	107
Long-term benefits	59	28
Termination benefits	-	33
Total	1,682	1,691

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

	2019 No.	2018 No.
Income range:		
\$0 - \$9,999	-	1
\$20,000 - \$29,999	8	7
\$40,000 - \$49,999	1	2
\$60,000 - \$69,999	1	1
\$70,000 - \$79,999	-	1
\$130,000 - \$139,999	1	-
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	2	1
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	-	1
\$310,000 - \$319,999	1	-
\$320,000 - \$329,999	-	1
Total	16	17

(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 \$148,000

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

	2019 No.	2018 No.
Income Range:		
< \$148,000	-	6
\$148,000 - \$149,999	5	2
\$150,000 - \$159,999	8	9
\$160,000 - \$169,999	4	-
\$180,000 - \$189,999	1	2
Total	18	19
Total remuneration for the reporting year for Senior Officers included above, amounted to (\$,000)	\$2,811	\$2,945

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7 PEOPLE AND RELATIONSHIPS (CONTINUED)**7.2 RELATED PARTY DISCLOSURE****(a) Transactions with related parties**

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

	2019 \$'000	2018 \$'000
Employee expenses for close family members of key personnel *	10	16
Purchase of materials and services from related parties of key management personnel	36	3
Total	46	19

* 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 employs 1003 staff of whom 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

	2019 \$'000	2018 \$'000
Employee commitments for close family members of key personnel	9	9
Total	9	9

NOTE 8 MANAGING UNCERTAINTIES

8.1 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, there were no contributions outstanding at the 30 June 2019. Latrobe City Council has paid unfunded liability payments to Vision Super totalling \$nil (2017/18 \$nil). There were \$nil contributions outstanding and \$nil loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$0.3 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 \$2.9 million to Environment Protection Authority Victoria (EPA) for performance obligations in relation to the rehabilitation of these landfill sites.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8 MANAGING UNCERTAINTIES (CONTINUED)**8.2 CHANGE IN ACCOUNTING STANDARDS**

The following new AAS's have been issued that are not mandatory for the 30 June 2019 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.

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. The estimated impact had the standard been in effect for the 2019 reporting period is that a liability for prepaid grant income of \$32.3 million would have been recognised with a corresponding reduction in grant income and overall surplus result in the Comprehensive Income Statement.

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.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$633,000 in lease related assets and an equivalent liability

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

This standard is expected to apply to certain transactions currently accounted for under 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 a not-for-profit entity to further its objectives.

8.3 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 have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have 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 8.1(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.

The 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 8.1(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 5.4.

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8 MANAGING UNCERTAINTIES (CONTINUED)**8.3 FINANCIAL INSTRUMENTS (CONTINUED)****(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 1.25%.

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.

8.4 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, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use 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, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs 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.

8.5 EVENTS OCCURRING AFTER BALANCE DATE

No matters have occurred after balance date that requires disclosure in the financial report. (2017/18, Nil)

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9 OTHER MATTERS**9.1 RESERVES****(a) Asset revaluation reserves**

	BALANCE AT BEGINNING OF REPORTING PERIOD \$'000	INCREMENT/ (DECREMENT) \$'000	BALANCE AT END OF REPORTING PERIOD \$'000
2019			
Property			
Land	116,600	-	116,600
Buildings	110,489	-	110,489
	227,089	-	227,089
Infrastructure			
Roads	134,136	-	134,136
Bridges	28,982	-	28,982
Footpaths and cycleways	19,311	6,163	25,474
Off street carparks	7,080	-	7,080
Drainage	59,370	-	59,370
Recreation, leisure and community facilities	3,450	(2,291)	1,159
Parks, open space and streetscapes	63	3,324	3,387
	252,392	7,196	259,588
Other			
Artworks	895	-	895
Other	14	-	14
	909	-	909
Total asset revaluation reserves	480,390	7,196	487,586
2018			
Property			
Land	167,209	(50,609)	116,600
Buildings	89,475	21,014	110,489
	256,684	(29,595)	227,089
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
Recreation, leisure and community facilities	-	3,450	3,450
Parks, open space and streetscapes	63	-	63
	248,942	3,450	252,392
Other			
Artworks	895	-	895
Other	14	-	14
	909	-	909
Total asset revaluation reserves	506,535	(26,145)	480,390

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

(b) Other reserves

	BALANCE AT BEGINNING OF REPORTING PERIOD \$'000	TRANSFER FROM ACCUMULATED SURPLUS \$'000	TRANSFER TO ACCUMULATED SURPLUS \$'000	BALANCE AT END OF REPORTING PERIOD \$'000
2019				
Developer contributions	3,404	(17)	142	3,529
Total other reserves	3,404	(17)	142	3,529
2018				
Developer contributions	3,302	(51)	153	3,404
Total other reserves	3,302	(51)	153	3,404

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.

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

	2019 \$'000	2018 \$'000
Surplus for the year	46,868	(2,423)
Depreciation and amortisation	27,660	25,732
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	8,543	7,532
Contributions non-monetary assets	(4,839)	(6,133)
Finance costs	705	741
Impairment losses / work in progress written off	251	897
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	363	(779)
(Increase)/decrease in prepayments	(77)	568
(Increase)/decrease in accrued income	(297)	(967)
Increase/(decrease) in trade and other payables	(323)	(211)
Increase/(decrease) in trust funds and deposits	526	(236)
Increase/(decrease) in provisions	(2,474)	8,900
Net cash provided by operating activities	76,906	33,622

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9 OTHER MATTERS (CONTINUED)**9.3 SUPERANNUATION**

Latrobe City 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.

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 2019, 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. 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. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

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 2019 was 107.1%. 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.

Defined benefit 2017 triennial actuarial investigation surplus amounts

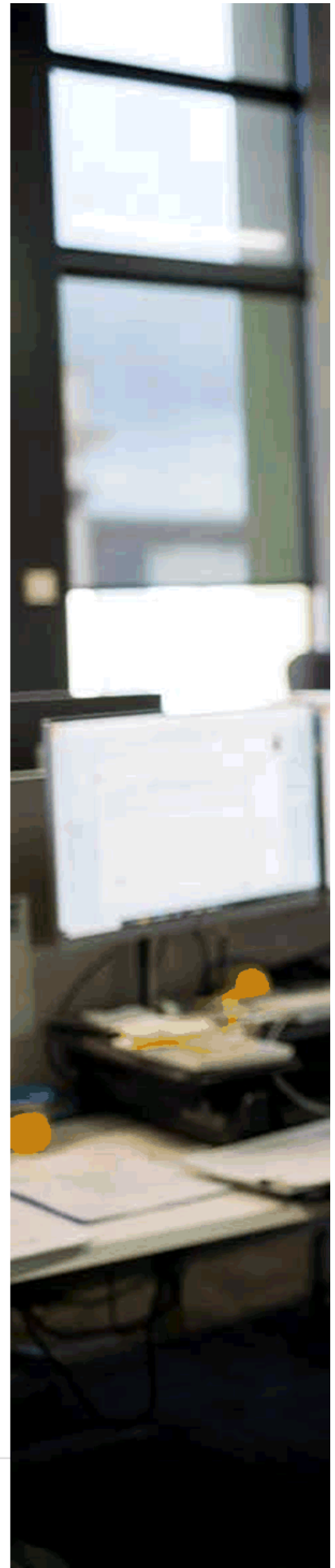
The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- 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.

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in December 2019.

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Council officer at Latrobe City Headquarters

Annual Report 2018/19

PERFORMANCE STATEMENT

The cover art is a complex composition. It features a red background on the left and a yellow background on the right. A black rectangular box is positioned in the upper left, containing the text 'PERFORMANCE STATEMENT'. Below this box, the text 'For the year ended 30 June 2019' is written in white. The right side of the cover is dominated by a large, stylized illustration of a person in a hat, possibly a soldier or a worker, rendered in a yellow and white color scheme. Below this illustration, the word 'Latrobe' is written in a large, green, cursive font. The bottom right corner of the cover features a pattern of concentric, overlapping squares in shades of grey and black. A yellow dashed line runs diagonally across the top and bottom of the cover.

PERFORMANCE STATEMENT

For the year ended
30 June 2019

Performance Statement

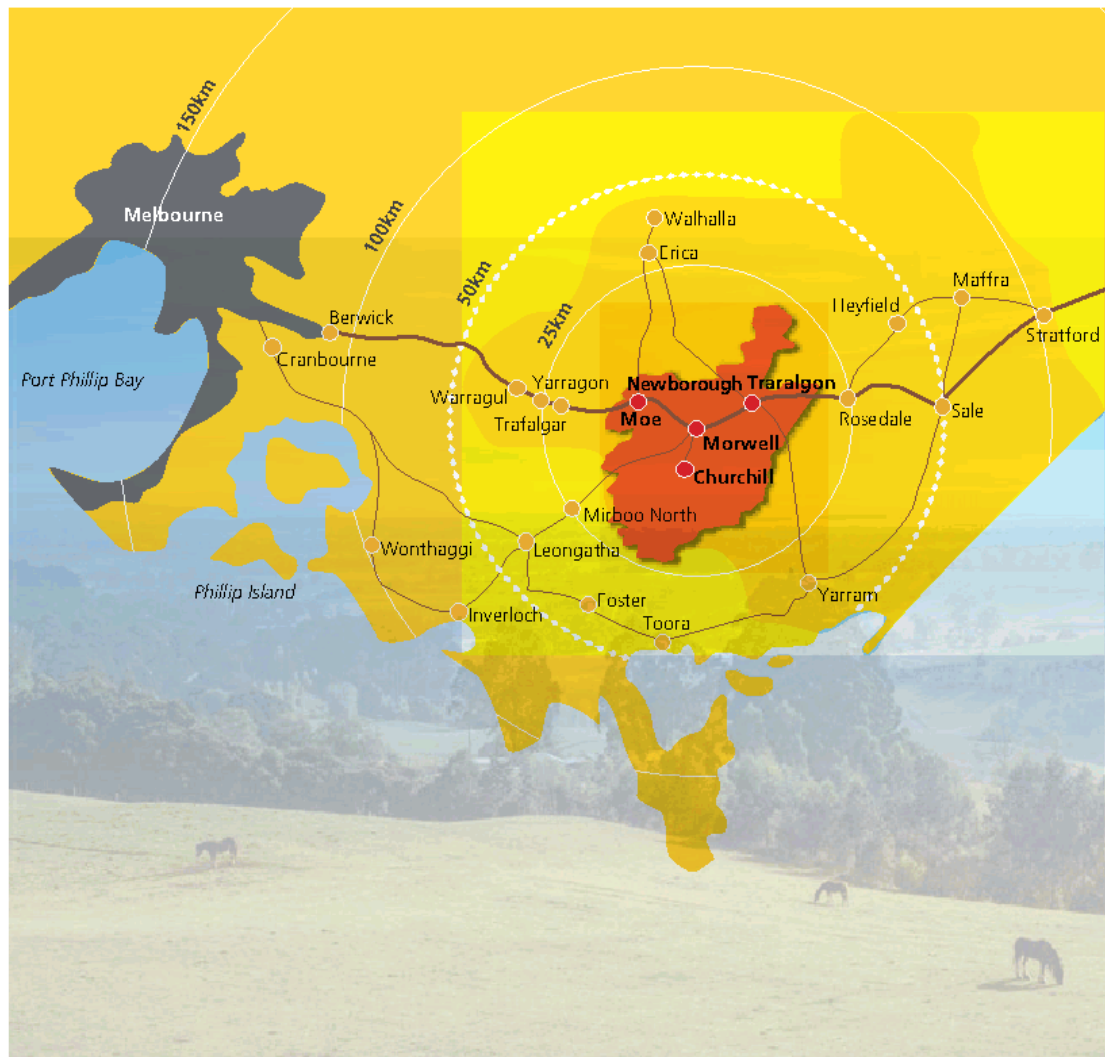
FOR THE YEAR ENDED 30 JUNE 2019

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 75,211.¹

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, 22 March 2019 E.R.P 2018



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: 02 September 2019

In our opinion, the accompanying performance statement of the Latrobe City Council for the year ended 30 June 2019 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: 02 September 2019

Councillor

Cr Alan McFarlane
Dated: 02 September 2019

Chief Executive Officer

Steven Piasente
Dated: 02 September 2019



Melbourne International Comedy Festival Roadshow at Latrobe Performing Arts Centre

PERFORMANCE STATEMENT

Auditor General's Report on Performance Statement

ON THE PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019



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 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, 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>. My staff and I 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. 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 performance statement	<p>The Councillors of the council 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 determine 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</p>

Engagements 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 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 the 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 the 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
18 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2019

INDICATOR/MEASURE	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,274	\$1,350	\$1,288	\$1,326	The result for this measure has increased by \$52 per capita over the 4 year period. The small increase is mainly due to CPI and Rates cap based increases in rates and charges and user fees income. The additional increase in 2017 was due to one-off items relating to a landfill rehabilitation provision write back and legal cost recoveries.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$285	\$429	\$378	\$353	The result for this measure has increased by \$68 per capita over the 4 year period. The significantly higher amount received in 2017 related to Commonwealth Financial Assistance Grants funding received in advance. Recurrent capital grants funding for the Roads to Recovery program had a one-off \$1.2 million increase in 2018 contributing to a higher result when compared to the 2019 result.
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,617	\$1,563	\$1,891	\$1,813	The result for this measure increased by \$196 per capita over the 4 year period. The 2018 result increased significantly after the change in accounting practice which now expenses the book value of non-current assets disposed in the process of capital works asset renewal, together with a large increase in the landfill rehabilitation provision (\$9.0 million). The lower cost shown in 2019 mainly relates to a smaller increase in the landfill provision (\$0.9 million).
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,915	\$12,929	\$13,086	\$13,210	The result for this measure increased by \$295 per capita over the 4 year period in line with the increasing fair value of infrastructure assets.
Population density per length of road [Municipal population / Kilometres of local roads]	47	46	46	46	The result for this measure has remained stable over the 4 year period.
Disadvantage					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	1	1	1	1	The result for this measure has remained unchanged over the 4 year period.

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2019

SERVICE/Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
GOVERNANCE					
Satisfaction					
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	47	51	52	54	The result for this measure increased by 7 points over the 4 year period demonstrating increasing satisfaction with council performance.
STATUTORY PLANNING					
Decision making					
Council planning decisions upheld at VCAT [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	66.7%	57.1%	60.0%	40.0%	In 2018 and 2019, there were only 5 applications appealed to VCAT with the 20% difference representing one additional decision being overturned in 2019.
ROADS					
Satisfaction					
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	50	61	56	60	The result for this measure increased by 10 points over the 4 year period and is potentially reflective of additional roads to recovery funding received during this period.
LIBRARIES					
Participation					
Active library members [Number of active library members / Municipal population] x100	10.4%	11.6%	10.3%	10.3%	The result for this measure has remained stable over the 4 year period. There was a temporary uplift in membership in 2017 coinciding with the opening of the new library facility in Moe.
WASTE COLLECTION					
Waste diversion					
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.1%	53.2%	54.0%	52.1%	The result for this measure has remained stable over the 4 year period.
AQUATIC FACILITIES					
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.2	5.2	4.9	4.9	The result for this measure decreased by 0.3 visits per capita over the 4 year period despite there being no reduction in service levels, but may be reflective of growth in private facilities over this period.

PERFORMANCE STATEMENT

Service Performance

Indicators *CONTINUED*

SERVICE/Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
ANIMAL MANAGEMENT					
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions]	0	1	23	119	The result for this measure increased by 6% over the 4 year period. Process improvements have led to an increased ability to follow up major and critical non-compliance notifications.
FOOD SAFETY					
Health and safety					
Critical and major non-compliance notifications [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	82.5%	79.2%	93.4%	88.5%	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 [Number of people that received a HACC service / Municipal target population for HACC services] x100	18.5%	Reporting Ceased 1 July 2016	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 [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	18.5%	Reporting Ceased 1 July 2016	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 [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.9%	76.3%	72.6%	70.3%	The result for this measure has remained relatively stable with a small overall decrease in the participation rate over the 4 year period.
Participation					
Participation in the MCH service by Aboriginal children [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	71.4%	68.2%	70.9%	69.1%	The result for this measure has remained relatively stable with a small overall decrease in the participation rate over the 4 year period.

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

"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

"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*

"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

"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*

PERFORMANCE STATEMENT

Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2019

Dimension/Indicator/ measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
OPERATING POSITION Adjusted underlying result #									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) Adjusted underlying revenue] x 100	(1.1%)	13.2%	(11.2%)	(5.0%)	(1.3%)	(1.9%)	(3.1%)	(3.0%)	The result for this measure increased by 6.2 percentage points in the 2019 year. The larger underlying deficit in the 2018 year was mainly due to unexpected landfill rehabilitation provision expenses and the change in accounting practice in 2018 which now recognises disposal costs associated with renewing infrastructure assets. Although these expense items have reduced in 2019 they have still resulted in contributing to an underlying deficit result of 5.0%.
LIQUIDITY Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	271.2%	302.1%	321.7%	324.7%	261.3%	244.5%	257.1%	279.1%	The result for this measure has increased by 53.5 percentage points over the 4 year period mainly as a result of external funding resulting in higher levels of cash and investment holdings associated with multi-year projects. A reduced ratio is forecast in 2020 as cash and investments from capital grants received in advance of expenditure are spent.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	147.2%	(55.1%)	(4.6%)	(71.2%)	44.4%	53.7%	69.5%	87.2%	The result of this measure has reduced by 66.6 percentage points during the period. The negative result is due to Council holding 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. The large increase is due to an additional \$26 million in grants received during the year that are yet to be expended. Future forecasts predict 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.

PERFORMANCE STATEMENT

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
OBLIGATIONS									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	24.9%	21.5%	22.1%	19.3%	28.8%	25.6%	22.8%	19.9%	The result for this measure has decreased by 5.6% over the 4 year period reflecting a net reduction in borrowings over the period. The forecast increase in 2020 reflects new borrowings budgeted for the Gippsland Regional Aquatic Centre, Traralgon Sports Stadium and the Latrobe Creative Precinct projects.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	9.3%	3.7%	3.5%	2.9%	12.8%	3.4%	3.1%	3.0%	The result for this measure has decreased by 6.4% over the 4 year period reflecting a net reduction in borrowings over the period. The forecasted increase in the ratio in 2020 is due to the principal repayment of an \$8.2 million interest only loan.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	42.9%	30.3%	39.0%	26.9%	38.6%	33.7%	30.9%	27.0%	The result for this measure has decreased by 16% over the 4 year period. The reduced ratio in 2019 is due to an interest only loan (\$8.2 million) moving from non-current to current liabilities. The ratio is forecasted to increase by 11.7% in 2020 mainly due to new borrowings budgeted for the Gippsland Regional Aquatic Centre, Traralgon Sports Stadium and the Latrobe Creative Precinct projects.
Asset renewal									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	64.0%	71.6%	72.5%	57.5%	63.5%	75.8%	61.0%	61.1%	The result for this measure decreased by 15% in 2019 due to a combination of an increase Depreciation expense resulting from amended useful lives of Council buildings following a revaluation undertaken in the 2018 year together with a decrease in expenditure due to no new landfill cell works in 2019 and reduced building renewal works undertaken.

PERFORMANCE STATEMENT

Financial Performance Indicators *(CONTINUED)*

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
STABILITY									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	64.3%	56.3%	59.4%	60.1%	63.7%	63.9%	64.1%	64.2%	The result for this measure has been slightly increasing over the last 3 years following a higher than usual ratio in 2016 caused by lower than usual operating grants due to the timing of payment of Commonwealth Financial Assistance Grants. 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 [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	The result for this measure has remained unchanged over the 4 year period.
EFFICIENCY									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,118	\$3,038	\$3,690	\$3,534	\$3,283	\$3,341	\$3,419	\$3,456	The result for this measure has increased by \$416 over the 4 year period to 2019. Increased landfill rehabilitation provision and a change in accounting practice which now recognises disposal costs associated with renewing non-current assets resulted in \$658 additional expenses per assessment in 2018. These items reduced in 2019 resulting in a decrease of \$140 per assessment. Due to the unpredictable nature of these items they have not been factored in to future forecasts.
Revenue level									
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,535	\$1,582	\$1,608	\$1,675	\$1,729	\$1,724	\$1,758	\$1,793	The result for this measure has increased by \$140 per assessment over the 4 year period. The increase of \$67 in the 2019 financial year was largely attributable to an increase in the Garbage Charge of 8.5% due to increased costs associated with the processing of recyclables as a result of an import ban imposed by the Chinese government.
Workforce turnover									
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	15.0%	10.2%	9.8%	12.5%	10.0%	10.0%	10.0%	10.0%	The decreasing trend in this ratio over the first 3 years followed an organisational realignment in 2016. The 12.5 result in 2019 remains within normal expectations of workforce turnover.

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

PERFORMANCE STATEMENT

Other Information

FOR THE YEAR ENDED 30 JUNE 2019

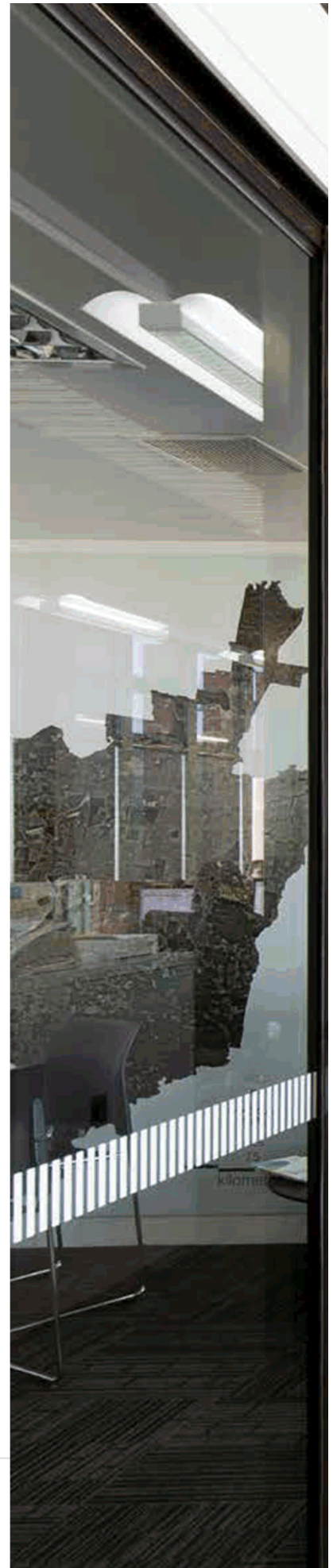
1. Basis of preparation

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 detailed 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 3 June 2019 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.





Latrobe City Headquarters interior office space

Annual Report 2018/19

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GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION



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
Reappointed by Council as Chair on 3 April 2018 for an additional two year period (until 11 August 2020)
- **Independent Member:**
Ms Joanne Booth
Reappointed by Council on 10 July 2017 for a three-year period (until 10 July 2020)
- **Independent Member:**
Mr Terry Richards
Reappointed by Council on 4 February 2019 for a three-year period (until 2 June 2022)
- **Council Representative:**
Cr Darrell White OAM
Cr Alan McFarlane (from 4 December 2017)

The Audit and Risk Committee held four meetings in the 2018/2019 financial year. All independent members attended each of the meetings in 2018/2019. There was one Councillor Representative Apology in May 2019.

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 reported to the Audit and Risk Committee in the 2018/2019 financial year included:

- Effectiveness of Business Planning Processes
- Occupational Health and Safety
- Cash Handling Procedures (Traralgon Service Centre)
- Fraud and Corruption Control Framework
- Risk Management Framework (from 4 December 2017*)

Statutory Information

(CONTINUED)

COUNCIL MEETINGS AND DECISIONS

Council meetings are held at Latrobe City Council Corporate Headquarters in Morwell from 6pm once a 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.

The Council Meetings are also live streamed on YouTube to foster openness and accessibility.

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 on the Latrobe City Council website: www.latrobe.vic.gov.au

COUNCIL MEETING ATTENDANCE 2018/19

During 2018/19, there were 11 Ordinary Council Meetings and eight Special Council Meetings held.

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

Councillor	Ordinary Council Meeting	Special Council Meeting
Cr Dan Clancey	11	8
Cr Sharon Gibson	9	7
Cr Dale Harriman	9	7
Cr Darren Howe	11	7
Cr Brad Law	11	8
Cr Alan McFarlane	11	8
Cr Graeme Middlemiss	11	8
Cr Kellie O'Callaghan	11	8
Cr Darrell White	9	8

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 had previously been required to complete this review in the last financial year after the 2017 election. The current Councillor Code was adopted 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

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%.

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 30 October 2018, the Department of Environment Land, Water & Planning (refer Local Government Victorian Bulletin: 30/2018) advised all councils that a notice was published in the Victorian Government Gazette S 514 dated 29 October 2018, providing for a 2.0 percent adjustment to apply to all mayor and councillor allowances effective from the 1 December 2018. 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 2018 the mayor and councillor allowances were increased to \$79,612 and \$25,730 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 18 to 30 Jun 19	27,944	0		389	0	28,333
Cr Brad Law	1 Jul 18 to 30 Jun 19	27,944	0		746	0	28,690
Cr Dale Harriman	1 Jul 18 to 30 Jun 19	27,944	0	3,091	649	0	31,684
Cr Dan Clancey	1 Jul 18 to 30 Jun 19	27,944	0	5,306	733	61	34,045
Cr Darrell White	1 Jul 18 to 30 Jun 19 Mayor: 1 Jul 18 to 2 Nov 18	47,684	105		2,277	0	50,066
Cr Darren Howe	1 Jul 18 to 30 Jun 19	27,944	1,864	1,339	649	13	31,808
Cr Graeme Middlemiss	1 Jul 18 to 30 Jun 19 Mayor: 3 Nov 18 to 30 Jun 19	67,033	1,875		842	0	69,749
Cr Kellie O'Callaghan	1 Jul 18 to 30 Jun 19	27,944	0	4,782	1,021	41	33,789
Cr Sharon Gibson	1 Jul 18 to 30 Jun 19	27,944	736	8,151	748	1,546	39,125

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Statutory Information

(CONTINUED)

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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 2019, Latrobe City Council had 38 committees which Councillors are appointed to.

These are as follows:

- Section 86 Special Committee (8) during the course of 2018/19, Council converted two advisory committees to special committees and created the two new George Bates Reserve Special Committee and Tyers Recreation Reserve Special Committee
 - Statutory Committees (2)
 - Advisory Committee (23)
 - Other Committees and Groups (5)
- These committees are governed under the Establishment of Council Committee Policy, which defines the types of committees that Council currently has.

Four new committees were created in 2018/2019 by resolution of Council:

- Animal Welfare Advisory Committee
- Moe Southside Community Precinct Advisory Committee
- George Bates Reserve Special Committee
- Tyers Recreation Reserve Special Committee
- Lake Narracan Advisory Committee (converted from a user group)
- Latrobe City Tourism and Major Events Advisory Committee (replacing Latrobe City Tourism Advisory Committee)

In addition to Latrobe City Council Committees, Councillors or Officers represent Council on 18 external committees.

Committees that have been formally abolished in the 2018/2019 year include:

- Latrobe City Tourism Advisory Committee

COUNCIL COMMITTEE MEMBERSHIP APPOINTMENTS FROM 3 DECEMBER 2018 TO 30 JUNE 2019

● Member ● Alternate

Committee	CR DAN CLANCEY	CR SHARON GIBSON	CR DALE HARRIMAN	CR DARREN HOWE	CR BRAD LAW	CR ALAN MCFARLANE	CR GRAEME MIDDLEMISS	CR KELLIE O'CALLAGHAN	CR DARRELL WHITE OAM
SPECIAL COMMITTEES									
Latrobe Regional Airport Board						●	●		
The Yallourn North Community Housing Committee						●	●		
Morwell Centenary Rose Garden Advisory Committee						●	●		
Callignee and Traralgon South Sporting and Facility Special Committee				●					
Traralgon Railway Reservoir Conservation Reserve Special Committee	●		●	●					
George Bates Reserve Special Committee						●	●		
Tyers Recreation Reserve Special Committee				●					
Mathison Park Special Committee									●
STATUTORY COMMITTEES									
Audit and Risk Committee		●				●			●
Municipal Emergency Management Planning Committee		●		●	●	●			
ADVISORY COMMITTEES									
Australia Day Advisory Committee				●					●
Animal Welfare Advisory Committee		●						●	
Chief Executive Officer Recruitment, Performance And Remuneration Review Advisory Committee		●		DM		●	M		
Churchill and District Community Hub Advisory Committee									●
Early Years Reference Committee	●							●	
Economic Development Advisory Committee				DM			M		
Jumbuk and Yinnar South Timber Traffic Reference Group (in adjournment)						●			●
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 City Tourism and Major Events Advisory Committee									●

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Statutory Information

(CONTINUED)

COUNCIL COMMITTEE MEMBERSHIP APPOINTMENTS FROM 3 DECEMBER 2018 TO 30 JUNE 2019

● Member ● Alternate

Committee	CR DAN CLANCEY	CR SHARON GIBSON	CR DALE HARRIMAN	CR DARREN HOWE	CR BRAD LAW	CR ALAN MCFARLANE	CR GRAEME MIDDLEMISS	CR KELLIE O'CALLAGHAN	CR DARRELL WHITE OAM
ADVISORY COMMITTEES (CONTINUED)									
Link Editorial Committee	●	●					M		
Motorsports Complex Advisory Committee		●		●			●		
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							M		
Latrobe City Lake Narracan Advisory Committee		●			●				
Moe Southside Community Precinct Advisory Committee		●			●				
OTHER COUNCIL COMMITTEES AND GROUPS									
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	●		●						
EXTERNAL COMMITTEES AND ASSOCIATIONS									
Alliance of Councils for Rail Freight Development					●		●		
Gippsland Local Government Network (GLGN)							M		
Gippsland Local Government Waste Forum			●				●		
Gippstown Reserve Committee of Management Inc. (by invitation)		●			●				
Engie Hazelwood Environmental Review Committee									●

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Committee	CR DAN CLANCEY	CR SHARON GIBSON	CR DALE HARRIMAN	CR DARREN HOWE	CR BRAD LAW	CR ALAN MCFARLANE	CR GRAEME MIDDLEMISS	CR KELLIE O'CALLAGHAN	CR DARRELL WHITE OAM
EXTERNAL COMMITTEES AND ASSOCIATIONS (CONTINUED)									
Latrobe City Trust				DM			M		
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							M		
Roadsafe Gippsland Community Road Safety Council				●		●			
South East Australian Transport Strategy (SEATS)					●		●		
Timber Towns Victoria			●						
Victorian Local Governance Association (VLGA)				DM			M		
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 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.

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.



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 19 valid requests to access information under the *Freedom of Information Act 1982*, in the 2018/19 financial year. This was a decrease of 2 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 3 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 19 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* 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 *Protected Disclosure Act 2012* 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 *Protected Disclosure Act 2012* and has implemented the Protected Disclosure Procedure in accordance with it.

During 2018/19 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

Information Management

(CONTINUED)

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 the total remuneration for all senior officers in accordance with 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 *Local Government Act 1989*, 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 *Local Government Act 1989*
- A register of delegations made pursuant to the *Local Government Act 1989*
- Submissions received during the previous 12 months in accordance with the process outlined in Section 223 of the *Local Government Act 1989*
- 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
- Details of the organisations that of which Council was a member 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.

CONTRACTS

Contracts entered into in 2018/19 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.

- Construction of Traralgon Croquet Club
- Construction of new footpaths
- Traralgon to Morwell Shared Path – Stage 1B – McDonald Street to Monash Way
- Reconstruction of Vincent Road Morwell
- Design and construction of Traralgon Sports Stadium
- Design and construction of Gippsland Regional Aquatic Centre
- Provision of printing services
- Landfill monitoring and reporting
- Provision of plant hire services
- Supply and delivery of kiosk products to Latrobe Leisure Facilities
- Design and construct – multiple cricket net training facilities
- Provision of electrical services
- Provision of plumbing and gasfitting services
- Provision of planning services
- Specialist turf supplies and services
- Provision of arboriculture maintenance services
- Rehabilitation of Morwell Landfill stages 1 and 2
- Morwell CBD revitalisation
- Latrobe Creative Precinct – supply and installation of specialist theatre equipment
- Sealing of municipal roads in Latrobe City
- Traralgon Tennis Club LED court lighting upgrade
- Drainage Augmentation to the Nixon Court - Furlonger Street Precinct, Traralgon
- Provision of heritage advisor services
- Design and construct - multi-use pavilion at Monash Reserve, Newborough
- Design, deliver and/or facilitate leadership programs
- Provision of garden maintenance at Latrobe City Council early learning and care centres
- Provision of maintenance of aquatic plant and equipment
- Demolition, design and construction of multi-use netball and tennis courts, fencing and lighting at Monash Reserve Newborough
- Maryvale and Traralgon Recreation Reserves - upgrade change facilities
- Provision of electrical test and tagging services
- Construction and sealing of shoulders at Flynn's Creek Road
- Latrobe Regional Hospital footpath works
- Provision of veterinary services
- Drilling and construction of geothermal bores
- Hydrogeological engineering supervision of geothermal bore construction
- Redevelopment of the Keegan Street Reserve, Morwell
- Latrobe Creative Precinct Project management consultancy
- Design and construct - multi-use change room facility at Ronald Reserve, Morwell
- Construction of sports lighting at Apex Park, Traralgon
- Provision of consultancy services for development contribution plans, Section 173 Agreements and legal advice
- Reconstruction of Auchterlonie, Church and Franklin Street, Morwell
- Installation of underground pipeline at Hyland Highway Landfill
- Design and construct of LED sports lighting at Morwell Recreation Reserve
- Project management consultancy for Gippsland Regional Aquatic Centre
- Project management consultancy for Traralgon Sports Stadium
- Construction of sports lighting at Northern Recreation Reserve and Monash Recreation Reserve, Newborough
- Hubert Osborne Park site remediation works
- Design and construct of a synthetic soccer pitch and sports lighting at Latrobe City Sports and Entertainment Stadium
- Design and delivery of startup business support program
- Glengarry AFL/cricket pavilion refurbishment
- Construction of stormwater outfall to Traralgon Creek
- Design and construct - cricket centre of excellence at Ted Summerton Reserve, Moe
- Construction of a synthetic oval and sports lighting at Morwell Recreation Reserve
- Traralgon Recreation Reserve Netball Court upgrade and sports lighting
- Provision of footpath grinding services

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Information Management

(CONTINUED)

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 2018/2019

DCP NAME AND YEAR APPROVED	LEVIES RECEIVED IN 2018/2019 FINANCIAL YEAR (\$)
N/A	N/A
Total	

DCP LAND, WORKS, SERVICES OR FACILITIES ACCEPTED AS WORKS-IN-KIND IN 2018/2019

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 2018/2019 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
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

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 2018/2019 Adopted in accordance with Section 130 of the Act. Date of adoption: 4 June 2019	
	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 Drainage Asset Management Plan Adopted 19 June 2017. Car Parks Asset Management Plan Adopted: 4 June 2018	
	Rating strategy	Strategy setting out the rating structure of council to levy rates and charges	Yes	Rating Strategy 2018-19 Date of operation of current strategy: 4 June 2018	

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
2 PLANNING (CONTINUED)	Risk policy	Policy outlining Council's commitment and approach to minimising the risks to Council's operations	Yes	Risk Management Policy Date of operation of current policy: Date of operation of current policy: 1 August 2016	
	Fraud policy	Policy outlining Council's commitment and approach to minimising the risk of fraud	Yes	Fraud and Corruption Control Policy Date of operation of current policy: 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> Date of preparation: 14 September 2018	
	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> Date of approval: 6 May 2019	
	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	Business Continuity Operational Policy Date of operation of current plan: 26 April 2018	
	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	Recovery Sub Plan 2018-2021 Date of operation of current plan: 14 September 2018	
3 MONITORING	Risk management framework	Framework outlining Council's approach to managing risks to the Council's operations	Yes	Date of operation of current plan: 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 Current Audit Committee Charter Date of operation: 4 February 2019	
	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	Engaged: HLB Mann Judd Date of engagement: 13 September 2016	
	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	Date of operation of current framework: 14 December 2011	

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
4 REPORTING	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	Date of report: 18 February 2019	
	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 Dates statement presented: 3 September 2018 3 December 2018 4 February 2019 6 May 2019	
	Risk reporting	Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Yes	Dates of reports: Audit and Risk Committee 30 August 2018 29 November 2018 7 March 2019 30 May 2019 Executive Risk Management Committee 18 July 2018 17 October 2018 12 February 2019 8 May 2019	
	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	Dates of reports: 22 October 2018 18 February 2019 29 April 2019 26 August 2019	
	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 Date of consideration: 1 October 2019	
	5 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 Date reviewed: 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	Reviewed in accordance with section 98(6) of the Act Date of review: 10 April 2019 As of August 2019 a review of delegations is underway	
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 Date local law made: 23 March 2018.	

I certify that this information presents fairly the status of Council's governance and management arrangements.

Signature of Chief Executive Officer:



Date: 23 September, 2019

Signature of Mayor:



Date: 23 September, 2019

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.

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.

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.

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.

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.

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.

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.

Governance

How Council operates as a decision-making body.

Full time equivalent

The unit that measures a worker's involvement in a project, or to track cost reductions in an organization. An FTE of 1.0 is equivalent to a full-time worker or student, while an FTE of 0.5 signals half of a full work load.

Indicators

Performance measures that provide a range of economic, environmental and social indicators, identifying the extent to which an objective has been achieved.

Indigenous

Originating in a particular geographic region or environment and native to the area and/or relating to Aboriginal and Torres Strait Islander people.

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.

Infrastructure

Basic community facilities such as roads, drains, footpaths and public buildings, etc.

Landfill

Engineered containment facility licensed by the Environment Protection Authority to accept specific solid waste.

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.

Latrobe Planning Scheme

The planning scheme that sets out policies and requirements for the use, development and protection of land located in Latrobe City.

Latrobe Valley Authority

A state government agency established to bring together local people, councils, industry, education providers and government to secure the economic future of the Latrobe Valley region after the closure of the Hazelwood power station.

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.

Local Government Performance Reporting Framework

A set of State Government mandated key performance indicators common to all local councils measuring their performance.

Local Laws

Laws under the jurisdiction of Latrobe City Council and enforced by Latrobe City Council employees and/or Victoria Police.

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.

Major Initiative

Most significant actions for delivery

over the current twelve month period and are linked to a strategic direction of the Council Plan.

Mission

The overall corporate philosophy that articulates how the Latrobe community vision will be achieved.

Municipality

A geographical area that is delineated for the purpose of Local Government.

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.

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.

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: Face painting to celebrate NAIDOC week

Back Cover: Local laws officer with a kitten





Latrobe City Council

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Latrobe City Council Service Centres and Libraries

Morwell

Corporate Headquarters

141 Commercial Road, Morwell

Morwell Library

63-65 Elgin Street, Morwell

Moe

Moe Service Centre and Library

1-29 George Street, Moe

Traralgon

Traralgon Service Centre and Library

34-38 Kay Street, Traralgon

Churchill

Churchill Community Hub

9-11 Philip Parade, Churchill

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



There being no further business the meeting was declared closed at 6.09pm.

I certify that these minutes have been confirmed.

Mayor: _____

Date: _____