

MINUTES

SPECIAL MEETING OF COUNCIL 7.00PM, MONDAY 12 SEPTEMBER 2016

The meeting commenced at 7.01 pm.

PRESENT: Cr Adele Hegedich (Chairperson)
Cr Peter Maynard
Cr Bob Fairclough
Cr Heather Marcus
Cr Marie Brittan
Cr Glenn Goodfellow
Cr Peter Gibbons
Cr Intaj Khan
Cr John Gibbons
Cr Gautam Gupta
Cr Michele Wharrie

IN ATTENDANCE: Kelly Grigsby Chief Executive Officer
Kate Roffey Director City Economy, Innovation & Liveability
Stephen Thorpe Director City Operations
Jenny McMahon Director City Life
Steven Lambert Director City Transformation
Rachel Cooper Head of Strategy & Stakeholder Engagement
Emily Keogh Manager Council & Community Relations
Nicole Battle A/Coordinator Governance & Community Engagement
Emma Kruse Governance Administration Officer
Sandra Noonan Governance/Councillor Relationships Officer

1. **OPENING PRAYER & WELCOME**

The Mayor, Cr Hegedich, welcomed all in attendance to the meeting.

The Mayor advised that this Special Meeting is being held to consider the Financial Reports for the Year Ended 30 June 2016. At the conclusion of this item, the Mayor will close this meeting and open the Special Council meeting scheduled for 7.15pm.

2. **APOLOGIES & REQUESTS FOR LEAVE**

Nil.

3. **DECLARATION BY COUNCILLORS OF DISCLOSURE OF CONFLICT OF INTEREST/CONFLICTING PERSONAL INTEREST IN ANY ITEM OF THE AGENDA**

Nil.

4. OFFICERS' REPORTS

- 4.1 WYNDHAM CITY FINANCIAL REPORTS FOR THE YEAR ENDED
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5. CONFIDENTIAL BUSINESS

Nil.

6. CLOSE OF MEETING

The meeting closed at 7.17pm.

FILE NO: 45/010/081

ITEM NO: 4.1
DIRECTOR CITY
TRANSFORMATION - STEVEN
LAMBERT**WYNDHAM CITY FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2016****Summary**

The purpose of this paper is to seek 'in principle' approval for Wyndham City's Financial Reports for the year ended 30 June 2016 which include:

- Financial Statements as at 30 June 2016
- Performance Statement for the year ended 30 June 2016
- Governance and Management Checklist

The statements have been prepared in accordance with all regulatory requirements and have been audited by the Victorian Auditor General's agent HLB Mann Judd. The Audit & Risk Management Committee have reviewed the Statements and Checklist, discussed any issues with the Auditors and have concluded that the Statements should be submitted to the Auditor General.

These statements are consolidated statements, incorporating Western Leisure Services Pty Ltd.

Overall, Wyndham City is currently in a healthy financial position as is evident by the operating result and balance sheet.

Attachments

1. Financial Statements 2015/16
2. Performance Statement 2015/16
3. Governance and Management Checklist 2015/16

Officers' Declaration of Interests

Under Section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

Director City Transformation - Steven Lambert

In providing this advice as the Director, I have no disclosable interests in this report.

Manager Finance & Property - Binda Gokhale

In providing this advice as the Manager, I have no disclosable interests in this report.

Financial Accounting Coordinator - Chen Wei

In providing this advice as the Author, I have no disclosable interests in this report.

Key Issues

- Operating Result for the year.
- Balance Sheet.
- Performance Statement.
- Governance and Management Checklist.
- Statutory requirements.

FILE NO: 45/010/081

**ITEM NO: 4.1
DIRECTOR CITY TRANSFORMATION -
STEVEN LAMBERT**

**WYNDHAM CITY FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2016
(cont'd)**

RECOMMENDATION

That Council:

1. Approve “in principle” the Financial Statements (Attachment 1) for the year ended 30 June 2016; and
2. Authorise two Councillors, Cr. Adele Hegedich and Cr. Glenn Goodfellow, to sign the Financial Statements in their final form; and
3. Approve “in principle” the Performance Statement for the year ended 30 June 2016 (Attachment 2); and
4. Authorise two Councillors, Cr. Adele Hegedich and Cr. Glenn Goodfellow, to sign the Performance Statement in its final form; and
5. Approve the Governance and Management Checklist (Attachment 3); and
6. Authorise the Mayor, Cr. Adele Hegedich to sign the Governance and Management Checklist.

MOTION

CRS BOB FAIRCLOUGH / GLENN GOODFELLOW

That Council:

1. Approve “in principle” the Financial Statements (Attachment 1) for the year ended 30 June 2016; and
2. Authorise two Councillors, Cr. Adele Hegedich and Cr. Glenn Goodfellow, to sign the Financial Statements in their final form; and
3. Approve “in principle” the Performance Statement for the year ended 30 June 2016 (Attachment 2); and
4. Authorise two Councillors, Cr. Adele Hegedich and Cr. Glenn Goodfellow, to sign the Performance Statement in its final form; and
5. Approve the Governance and Management Checklist (Attachment 3); and
6. Authorise the Mayor, Cr. Adele Hegedich to sign the Governance and Management Checklist.

(CARRIED)

FILE NO: 45/010/081

ITEM NO: 4.1
DIRECTOR CITY TRANSFORMATION -
STEVEN LAMBERT**WYNDHAM CITY FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2016**
(cont'd)**1. Discussion****A. Operating Result**

The Operating Statement summarises Wyndham City's income and expenditure for the period 1 July 2015 to 30 June 2016.

Total operating expenses incurred for the period amount to \$286.2 million. Wyndham City's major expenditure items for the year were;

Salaries and associated costs	\$111.6 million
Materials and services expenditure	\$101.5 million
Depreciation and amortisation	\$65.4 million

The total revenue for the year was \$463.2 million, major revenue items include;

Rates and charges	\$161.0 million
Subdivisional asset contributions (non-monetary)	\$139.8 million
User fees and fines	\$84.3 million
Grants	\$38.1 million
Developer contributions (monetary)	\$33.9 million

Wyndham City's operating result was a surplus of \$177.0 million for 2015/16, compared to a surplus of \$87.3 million in the budget. Included in the 2015/16 results was \$139.8 million of subdivisional asset contributions compared to a budget of \$59.0 million. The timing of subdivisional asset contributions is difficult to predict as they are recognised when new estates are transferred to Council to maintain. Also, subdivisional asset contributions are non-monetary in nature and therefore just a book entry. Excluding subdivisional asset contributions, the operating result would have been \$37.2 million, \$8.9 million favourable compared to budget. The details and explanation of the variance between the budget and actual result are outlined in Note 2 of the Financial Statements (Attachment 1. pages 15-19).

B. Balance Sheet

Wyndham City's Balance Sheet summarises the assets and liabilities of Wyndham City and the net equity position of Wyndham City as at 30 June 2016.

Overall Wyndham City's net equity is \$3,208.2 million. This is made up of:

	Total Assets	\$3,351.4 million
Less	Total Liabilities	<u>\$143.2 million</u>
	Net Equity	\$3,208.2 million

The overall strong financial position is also evident in Wyndham City's capacity to meet current financial commitments through liquid assets. Current assets are more than 3 times current liabilities representing a strong liquidity position for Wyndham City. A large percentage of the liquid assets relate to developer contributions held in reserves to assist in the funding of future

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ITEM NO: 4.1
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STEVEN LAMBERT**WYNDHAM CITY FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2016**
(cont'd)

infrastructure in the growth areas, and to complete projects from the 2015/2016 capital works program.

The total non-current assets have increased by \$251.0 million from the previous year. The variance is mainly attributable to subdivisional asset contributions and assets constructed and purchased by Council in 2015/16.

Current liabilities have increased by \$5.4 million from the previous year. This was mainly due to \$5.9 million of carbon tax provision moving from non-current to current.

Non-current liabilities have increased by \$21.6 million due primarily to \$15.0 million of new loans undertaken. Also contributing to the increase in non-current liabilities was an increase in the provision for the rehabilitation of the landfill site.

In 2015/16, Wyndham City's overall net asset base increased by \$286.1 million. The growth in Council's asset base is consistent with the growth trends across a broad range of measures that currently position Wyndham City as one of the fastest growing municipalities in Australia. The high growth in the asset base brings with it the challenges of maintaining, servicing and ultimately renewing a rapidly expanding asset base.

C. Performance Statement

Wyndham City must prepare a Performance Statement as soon as practicable after the end of the financial year. The Performance Statement has been prepared in accordance with the requirements of the Local Government Performance Reporting Framework (LGPRF).

The Annual Performance Statement is detailed in Attachment 2.

D. Governance and Management Checklist

The performance statement is supported by the Governance and Management Checklist, which is Council's assessment against the prescribed criteria provided under the LGPRF.

E. Statutory Process

Sections 131-134 of the Local Government Act 1989 outline the process to be followed by local government entities to adopt and sign their Annual Financial Statements and Performance Statement.

Under these arrangements, local government entities cannot submit their statements, to the Auditor General unless they have passed the two required resolutions in respect of each statement.

The first resolution gives "in principle" approval to the statements. The second resolution authorises two Councillors on behalf of Wyndham City to certify the statements once the Auditor General has finalised a review of the statements and any resulting amendments or changes that have been made. The statements cannot be certified prior to submission to the Auditor General and only those Councillors authorised to sign the statements may do so.

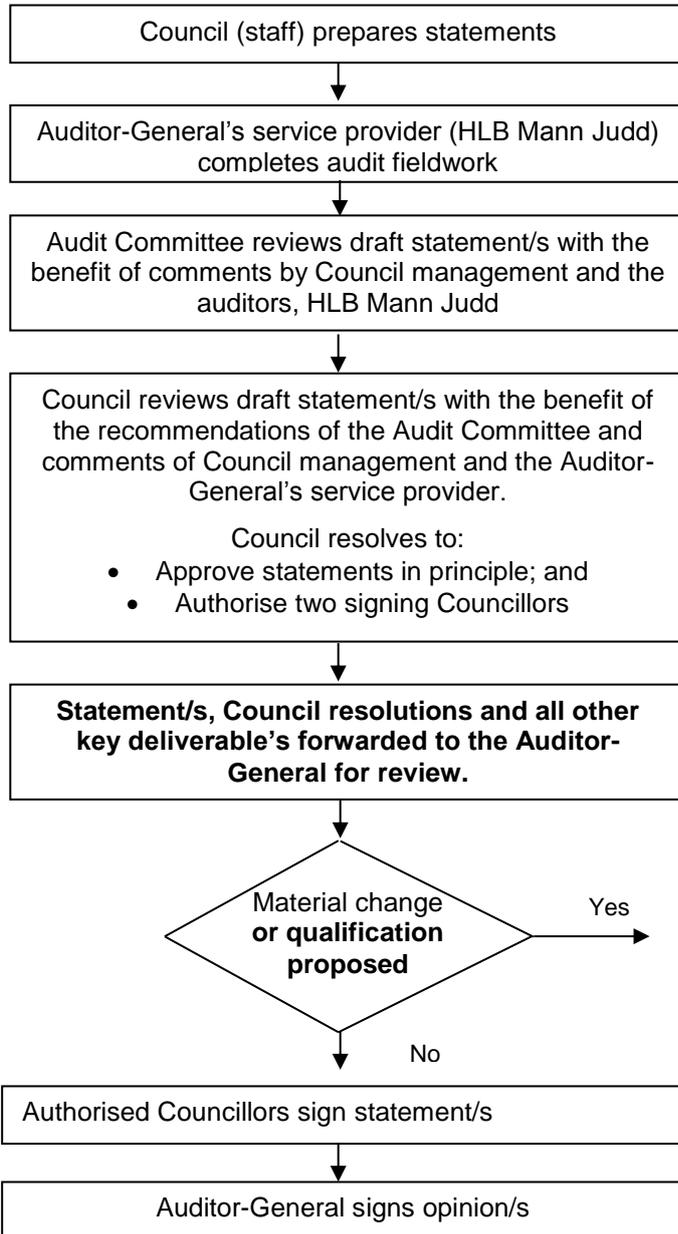
It is recommended that the Mayor and Councillor Goodfellow, as two of the Council representatives on the Audit and Risk Management Committee, be signatories to the statements.

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STEVEN LAMBERT

**WYNDHAM CITY FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2016
(cont'd)**

Outlined below is the process for Wyndham City in having their financial statements and performance statement audited.



Note: Review at the Audit and Risk Management Committee Meeting held on 7 September 2016.

Note: Council must pass these resolutions before the statements are provided to the Auditor-General for review. The statements must not be signed before presentation to the Auditor-General. These resolutions are required only once.

Note: Council may require that if any material changes or a qualification is proposed, that these matters be considered by the Audit committee and/or Council itself before authorised Councillors sign the statements.

The Financial Statements and Performance Statement together with the Auditor General's reports will be incorporated into the Annual Report. The Annual Report is required to be submitted to the Minister by 30 September 2016 to meet the statutory timeframes.

2. Council Policy

Wyndham City's statements have been prepared in accordance with the relevant financial management policies in place, Australian equivalent to the international financial reporting standards and regulatory requirements.

WYNDHAM CITY
CONSOLIDATED ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2016

**Wyndham City
Financial Report
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Wyndham City
2015/2016 Financial Report

Comprehensive Income Statement For the Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	161,026	148,272
Statutory fees and fines	4	11,778	9,150
User fees	5	72,491	55,644
Grants - operating	6	27,676	40,790
Grants - capital	6	10,436	10,331
Contributions - monetary	7	33,875	13,453
Contributions - non monetary	7	139,823	89,136
Net gain on disposal of property, infrastructure, plant and equipment	8	862	-
Other income	9	5,217	5,411
Total income		463,184	372,186
Expenses			
Employee costs	10(a)	111,596	95,496
Materials and services	11	101,499	84,662
Bad and doubtful debts	12	2,889	277
Depreciation and amortisation	13	65,364	61,343
Borrowing costs	14	1,868	2,058
Net loss on disposal of property, infrastructure, plant and equipment	8	-	26,299
Other expenses	15	2,992	2,789
Total expenses		286,208	272,923
Surplus/(deficit) for the year		176,976	99,264
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	22	109,078	(106)
Total comprehensive result		286,054	99,157

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

Wyndham City
2015/2016 Financial Report

Balance Sheet
As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	16,910	32,274
Trade and other receivables	17	30,583	30,662
Other financial assets	18	152,938	85,404
Inventories	19	200	140
Non-current assets classified as held for sale	20	10,782	23
Other assets	21	2,266	3,210
Total current assets		213,679	151,713
Non-current assets			
Trade and other receivables	17	1,639	1,678
Property, infrastructure, plant and equipment	22	3,124,085	2,877,792
Intangible assets	23	11,967	7,193
Total non-current assets		3,137,691	2,886,663
Total assets		3,351,370	3,038,376
Liabilities			
Current liabilities			
Trade and other payables	24	21,945	27,967
Trust funds and deposits	25	12,100	7,904
Provisions	26	22,452	15,237
Total current liabilities		56,497	51,108
Non-current liabilities			
Provisions	26	31,689	25,137
Interest-bearing loans and borrowings	27	55,000	40,000
Total non-current liabilities		86,689	65,137
Total liabilities		143,186	116,245
Net assets		3,208,184	2,922,130
Equity			
Accumulated surplus		1,657,655	1,500,197
Reserves	28	1,550,529	1,421,933
Total Equity		3,208,184	2,922,130

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

Wyndham City
2015/2016 Financial Report

**Statement of Changes in Equity
For the Year Ended 30 June 2016**

2016	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,922,130	1,500,197	1,352,984	68,949
Surplus/(deficit) for the year		176,976	176,976		
Net asset revaluation increment/(decrement)	28(a)	109,078	-	109,078	-
Transfers to other reserves	28(b)	(19,518)	(19,518)	-	-
Transfers from other reserves	28(b)	19,518	-	-	19,518
Balance at end of the financial year		3,208,184	1,657,655	1,462,062	88,467

2015		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,822,973	1,408,630	1,353,090	61,253
Surplus/(deficit) for the year		99,264	99,264		
Net asset revaluation increment/(decrement)	28(a)	(106)	-	(106)	-
Transfers to other reserves	28(b)	(7,696)	(7,696)	-	-
Transfers from other reserves	28(b)	7,696	-	-	7,696
Balance at end of the financial year		2,922,130	1,500,197	1,352,984	68,949

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

Wyndham City
2015/2016 Financial Report

Statement of Cash Flows
For the Year Ended 30 June 2016

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		158,968	147,151
Statutory fees and fines		7,038	9,150
User fees		82,523	55,568
Grants - operating		28,960	42,531
Grants - capital		10,920	10,772
Contributions - monetary		33,875	13,453
Interest received		5,217	5,411
Trust funds and deposits taken		55,279	35,457
Net GST refund/payment		9,357	13,693
Employee costs		(107,721)	(93,038)
Materials and services		(116,866)	(103,922)
Trust funds and deposits repaid		(51,083)	(36,116)
Net cash provided by/(used in) operating activities	29	116,467	100,110
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(81,126)	(110,095)
Proceeds from sale of property, infrastructure, plant and equipment		3,697	1,021
Net payments for acquisition of/proceeds from sale of other financial assets		(67,534)	5,942
Net cash provided by/(used in) investing activities		(144,963)	(103,132)
Cash flows from financing activities			
Finance costs		(1,868)	(2,058)
Proceeds from borrowings		15,000	40,000
Repayment of borrowings		-	(40,321)
Net cash provided by/(used in) financing activities		13,132	(2,379)
Net increase (decrease) in cash and cash equivalents		(15,364)	(5,401)
Cash and cash equivalents at the beginning of the financial year		32,274	37,675
Cash and cash equivalents at the end of the financial year	30	16,910	32,274
Financing arrangements	31		
Restrictions on cash assets	16		

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

Wyndham City
2015/2016 Financial Report

**Statement of Capital Works
For the Year Ended 30 June 2016**

	Note	2016 \$'000	2015 \$'000
Property			
Land		4,045	13,586
Land improvements		8,527	-
Total land		12,572	13,586
Buildings		24,435	52,146
Building improvements		963	-
Total buildings		25,398	52,146
Total property		37,970	65,733
Plant and equipment			
Plant, machinery and equipment		1,983	2,793
Fixtures, fittings and furniture		2,131	3,701
Computers and telecommunications		1,571	1,431
Library books		1,420	1,545
Total plant and equipment		7,105	9,470
Infrastructure			
Roads		17,788	14,133
Bridges		392	71
Footpaths and cycleways		2,005	1,230
Drainage		133	162
Recreational, leisure and community facilities		6,324	6,766
Waste management		198	7,082
Parks, open space and streetscapes		2,822	3,069
Off street car parks		491	-
Other infrastructure		5,141	2,537
Total infrastructure		35,294	35,050
Total capital works expenditure		80,369	110,253
Represented by:			
New asset expenditure		28,984	31,010
Asset renewal expenditure		14,210	47,522
Asset expansion expenditure		2,154	193
Asset upgrade expenditure		35,021	31,527
Total capital works expenditure		80,369	110,253

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

Introduction

The Wyndham City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 45 Princes Highway, Werribee, Victoria.

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, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Note 1 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 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (s))

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.

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, 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.

Note 1 Significant accounting policies (cont'd.)**(c) Principles of consolidation (cont'd.)**

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

The entity that is consolidated into Council is Western Leisure Services Pty Ltd, which is fully owned by Wyndham City. It was established on 30 April 2014 to manage three of Wyndham City's major recreation facilities

(d) Committees of management

Entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, are to be included in this financial report. Any transactions between these entities and Council are then eliminated in full. No committees of management have been identified for inclusion in this financial report.

(e) Accounting for investments in associates and joint arrangements*Associates*

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. No associates have been identified for inclusion in this financial report.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. No investment in joint arrangements have been identified for inclusion in this financial report.

(i) Joint operations

Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

(f) Revenue recognition

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

Rates and Charges

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.

Statutory fees and fines

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.

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Note 1 Significant accounting policies (cont'd.)**(f) Revenue recognition (cont'd.)***Grants*

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

Other Income

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

(g) Fair value measurement

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.

(h) Cash and cash equivalents

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.

Note 1 Significant accounting policies (cont'd.)**(i) Trade and other receivables**

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(j) Other financial assets

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.

(k) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(l) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities 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.

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles*Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (n) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, land, building, roads, bridges, off street car parks and drainage assets 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 on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, Property, infrastructure, plant and equipment, and infrastructure.

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

Note 1 Significant accounting policies (cont'd.)**(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont'd.)***Land under roads*

Wyndham City recognised the value of land under roads it controlled as at 30 June 2008 at deemed cost. Deemed cost is based on 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. Land under roads acquired after 30 June 2008 is brought to account using the cost basis.

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

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.

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.

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
land	n/a	-
land improvements	20-30 years	10
Buildings		
heritage buildings	50 years	-
buildings	50 years	-
Plant and Equipment		
heritage plant and equipment	10-100 years	1
plant, machinery and equipment	4-10 years	-
fixtures, fittings and furniture	3-10 years	3
computers and telecommunications	3-10 years	3
library books	5 years	-
Infrastructure		
road surface	25 years	-
road base	55 years	-
road unsealed	20 years	-
road kerb and channel	40 years	-
bridges	80 years	-
footpaths and cycleways	40 years	-
drainage	100 years	-
recreational, leisure and community facilities	10-50 years	10
waste management	10-50 years	-
parks, open space and streetscapes	10-40 years	10
off street car parks	20-40 years	-
Intangible assets		
landfill air space	consumption	-
software	7 years	-

Note 1 Significant accounting policies (cont'd.)**(o) 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.

(p) Impairment of assets

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

(q) Trust funds and deposits

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 (refer to Note 25).

(r) Borrowings

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 has been categorised as financial liabilities at amortised cost. The Council determines the classification of its interest bearing liabilities at initial recognition.

Borrowing costs

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

(s) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

Non-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. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Note 1 Significant accounting policies (cont'd.)**(t) Landfill restoration provision**

Council is obligated to restore the Refuse Disposal Facility site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration 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 reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(u) Carbon Tax provision

Council's Carbon Tax liability arose due to the Federal Government's Clean Energy Act 2011, which was repealed in July 2014. Council collected carbon tax to 30 June 2014 for the lifetime carbon emissions that would be generated from waste deposited at the landfill. Now that the legislation has been repealed, Council no longer has an obligation to make further payments under the Clean Energy Act 2011. The Minister for the Environment released the Voluntary Waste Industry Protocol in July 2015 for the handling of early collected carbon charges in the landfill sector. Council has signed up to the voluntary protocol, which involves refunding Council customers and using the remaining funds for carbon abatement projects. This process is expected to be completed by 30 June 2017.

(v) LeasesFinance Leases

Wyndham City has not entered into any finance lease arrangements.

Operating Leases

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

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(x) Contingent assets and contingent liabilities and commitments

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

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

(y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(z) Rounding

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

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 2 Budget comparison

The budget comparison 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 applied a materiality threshold of the lower of ten percent or \$10 million 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 22 June 2015. 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*.

a) Income and Expenditure

	Budget	Actual	Variance	
	2016	2016	2016	
	\$'000	\$'000	\$'000	Ref
Income				
Rates and charges	162,717	161,026	(1,691)	
Statutory fees and fines	8,552	11,778	3,226	1
User fees	69,913	72,491	2,578	
Grants - operating	34,647	27,676	(6,971)	2
Grants - capital	7,266	10,436	3,170	3
Contributions - monetary	13,123	33,875	20,752	4
Contributions - non monetary	59,000	139,823	80,823	5
Net gain on disposal of property, infrastructure, plant and equipment	-	862	862	6
Other income	4,440	5,217	777	7
Total income	<u>359,658</u>	<u>463,184</u>	<u>103,526</u>	
Expenses				
Employee costs	108,544	111,596	(3,052)	
Materials and services	89,504	101,499	(11,995)	8
Bad and doubtful debts	100	2,889	(2,789)	9
Depreciation and amortisation	64,027	65,364	(1,337)	
Borrowing costs	2,885	1,868	1,017	10
Net loss on disposal of property, infrastructure, plant and equipment	4,254	-	4,254	6
Other expenses	3,026	2,992	34	
Total expenses	<u>272,340</u>	<u>286,208</u>	<u>(13,868)</u>	
Surplus/(deficit) for the year	<u>87,318</u>	<u>176,976</u>	<u>89,658</u>	

Wyndham City
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Notes to the Financial Report
For the Year Ended 30 June 2016

Note 2 Budget comparison (cont'd.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The favourable variance was due predominantly to higher fees associated with monitoring and certifying subdivision, with significant growth experienced in 2015/16. Lower subdivision activity was anticipated in setting the budget. However, demand for land in Wyndham has shown continued strength.
2	Grants - operating	Operating Grants revenue is \$6.97m less than budget due to the early receipt of half of the 15/16 financial assistance grant on the last day of the 14/15 year, therefore the recognition of this revenue in 2014/15.
3	Grants - capital	The Grants - Capital result was better than budget due to the receipt of a number of state and federal grants for buildings, roads and parks that were not included in the budget as they were not confirmed at that time.
4	Contributions - monetary	Contributions - monetary are higher than budget due to a higher level of Developer Contributions resulting from an increased rate of subdivision development.
5	Contributions - non monetary	Contributions - non monetary is significantly higher than budget due to the level of gifted assets resulting from the higher than expected rate of subdivision development.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The net gain of \$0.86 million was due to the sale of vehicles and plant items. The budget had assumed a net loss of \$4.25 million result from the road assets being reconstructed. However, the written down value of renewed road assets was adjusted against the asset revaluation reserves due to the nature of the works undertaken.
7	Other income	The favourable other revenue position was due to higher interest received from the late payment of rate instalments (\$0.39 million) and higher interest revenue earned from cash invested in short term deposits (\$0.32 million).
8	Materials and services	Materials and services was \$12.00 million higher than budget, due mostly to landfill related costs and provisions.
9	Bad and doubtful debts	The variance of bad and doubtful debts was due to a review of provisioning, based on historical analysis of debt recovery.
10	Borrowing costs	The borrowing cost was \$1.02 million favourable to budget mainly due to the later than anticipated draw-down of the additional \$15 million loan. This \$15 million loan was budgeted to be drawn early in the financial year 2015-16 however it occurred at the end of the 2015/16 financial year.

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land	7,455	4,045	3,410	1
Land improvements	6,540	8,527	(1,987)	2
Total Land	13,995	12,572	1,423	
Buildings	27,387	24,435	2,952	3
Building improvements	1,397	963	434	4
Total Buildings	28,784	25,398	3,386	
Total Property	42,779	37,970	4,809	
Plant and Equipment				
Plant, machinery and equipment	3,143	1,983	1,160	5
Fixtures, fittings and furniture	2,183	2,131	52	
Computers and telecommunications	2,157	1,571	586	6
Library books	-	1,420	(1,420)	7
Total Plant and Equipment	7,483	7,105	378	
Infrastructure				
Roads	19,060	17,788	1,272	
Bridges	1,800	392	1,408	8
Footpaths and cycleways	1,150	2,005	(855)	9
Drainage	100	133	(33)	10
Recreational, leisure and community facilities	8,771	6,324	2,447	11
Waste management	450	198	252	12
Parks, open space and streetscapes	4,172	2,822	1,350	13
Off street car parks	1,645	491	1,154	14
Other infrastructure	3,842	5,141	(1,299)	15
Total Infrastructure	40,990	35,294	5,696	
Total Capital Works Expenditure	91,252	80,369	10,883	
Represented by:				
New asset expenditure	34,804	28,984	5,820	
Asset renewal expenditure	11,790	14,210	(2,420)	
Asset expansion expenditure	2,719	2,154	565	
Asset upgrade expenditure	41,939	35,021	6,918	
Total Capital Works Expenditure	91,252	80,369	10,883	

Wyndham City
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Notes to the Financial Report
For the Year Ended 30 June 2016

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The budget assumed that land would be purchased for the construction of Ison Road through a compulsory acquisition process. The acquisition of this land is now expected to be finalised in 2016/17.
2	Land improvements	The higher actual expenditure relates to the timing of the landfill cell construction. The works were budgeted to be completed over the 2014/15 and 2015/16 financial years. The planning stages of the project took longer than expected, resulting in a larger portion of the expenditure falling into the 2015/16 financial year.
3	Buildings	The Eagle Stadium redevelopment project was delivered for less than assumed in the budget. Also, the planning for the Truganina South Kindergarten project has taken longer than expected with construction now planned for 2016/17 rather than 2015/16 as assumed in the budget.
4	Building improvements	The construction aspects of the Neighbourhood Hub augmentation project and the upgrade of the Cultural Centre have not commenced and will now occur in 2016/17.
5	Plant, machinery and equipment	The variance was due mostly to the deferral of the purchase of a street sweeper and five trucks due to their condition being better than assumed when the budget was prepared.
6	Computers and telecommunications	Lower expenditure is due to the irrigation control system and the asset management information system development works budgeted in 2015/16 not progressing as fast as budgeted and now being completed in 2016/17.
7	Library books	The variance was due to a change in accounting policy in 2014/15, where the cost of replenishing the library collection is now being capitalised rather than expensed. The 2015/16 budget was set before this policy change was implemented.
8	Bridges	The design of the walk bridge over Skeleton Creek has taken longer than assumed in the budget. The construction aspect of the project will now be completed in 2016/17.
9	Footpaths and cycleways	The higher than budget expenditure was due to a larger program of work being completed in 2015/16 as Council received a grant through the Infrastructure Growth Fund to install additional bicycle paths.
10	Drainage	The higher than budget expenditure was due to design for Ballan Road drainage works being undertaken in preparation for construction works to be undertaken in 2016/17. This project was not in the 2015/16 budget.
11	Recreational, leisure and community facilities	Favourable variance due mostly to the Mainview Sporting Reserve now being constructed by the estate developer as a works in kind project.
12	Waste management	The favourable variance to budget was due mostly to the RDF Water Mains upgrade project not proceeding in 2015/16 as budgeted. Discussions are still being finalised with City West Water on the available options.

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Notes to the Financial Report
For the Year Ended 30 June 2016

Variance Ref	Item	Explanation
13	Parks, open space and streetscapes	Favourable variance mostly due to the Grahams Reserve project not proceeding and the Regatta Cove project construction works carrying over into 2016/17 rather than being completed in 2015/16 as assumed in the budget.
14	Off street car parks	The favourable variance reflects the decision made to construct an interim standard ground level car park for approximately 1/3rd of the budgeted cost. This provides car park in the short term and leaves flexibility for the site to be considered for future Werribee CBD developments.
15	Other infrastructure	2015/16 Public Lighting Bulk Bulb replacement expenditure included works that were delayed from the 2014/15 budgeted works program.

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$'000	\$'000
Note 3		
Rates and charges		
<p>Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its valuation of land in addition to any improvements to the land.</p> <p>The valuation base used to calculate general rates for 2015/16 was \$36,008 million (2014/15 \$34,693 million). The 2015/16 rate on developed land in the CIV dollar was 0.003392 (2014/15 0.003215).</p>		
General Rates	134,991	125,071
Municipal charge	4,445	4,081
Waste management charge	18,029	17,145
Supplementary rates and rate adjustments	3,404	1,835
Revenue in lieu of rates	157	140
Total rates and charges	161,026	148,272
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1st January 2014, and the valuation was first applied in the rating year commencing 1st July 2014.</p>		
Note 4		
Statutory fees and fines		
Infringements and costs	3,123	2,671
Court recoveries	256	161
Town planning fees	8,194	6,166
Land information certificates	205	152
Total statutory fees and fines	11,778	9,150
Note 5		
User fees		
Aged and health services	892	852
Leisure centre and recreation*	11,025	2,759
Child care/children's programs	2,696	2,380
Registration and other permits	694	640
Building services	1,021	996
Waste management services	48,533	43,558
Cost recoveries	5,607	3,740
Other fees and charges	2,023	720
Total user fees	72,491	55,644

*The increase in User Fees is primarily driven by revenue from Western Leisure Services which has now been in operation for a full financial year (Note 39)

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	13,655	26,669
State funded grants	24,457	24,452
Total	<u>38,112</u>	<u>51,121</u>
Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	6,477	18,488
<i>Recurrent - State Government</i>		
Primary care partnerships	234	126
Aged care	5,494	6,653
School crossing supervisors	290	265
Libraries	1,202	1,217
Maternal and child health	2,703	2,633
Community safety	68	181
Early Childhood & Youth	9,758	8,875
Other	39	24
Total recurrent operating grants	<u>26,265</u>	<u>38,462</u>
<i>Non-recurrent - State Government</i>		
Community health	330	1,458
Family and children	615	116
Environmental planning	124	12
Library	-	1
Strategy planning	219	652
Recreation	8	75
Other	115	14
Total non-recurrent operating grants	<u>1,411</u>	<u>2,328</u>
Total operating grants	<u>27,676</u>	<u>40,790</u>
Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission - Local Roads	977	2,775
Roads to recovery	2,600	905
Total recurrent capital grants	<u>3,577</u>	<u>3,681</u>
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	3,600	4,500
<i>Non-recurrent - State Government</i>		
Buildings	1,697	1,512
Roads	620	574
Footpaths and cycleways	900	-
Recreational, leisure and community facilities	30	(3)
Other	12	68
Total non-recurrent capital grants	<u>6,859</u>	<u>6,650</u>
Total capital grants	<u>10,436</u>	<u>10,331</u>
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	2,431	3,127
Received during the financial year and remained unspent at balance date	902	2,187
Received in prior years and spent during the financial year	1,866	2,883
Balance at year end	<u>1,467</u>	<u>2,431</u>

Wyndham City
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Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 7 Contributions		
Monetary	33,875	13,453
Non-monetary	139,823	89,136
Total contributions	173,698	102,589
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	17,247	12,596
Land Under Roads	10,863	5,481
Drainage	27,841	14,597
Roads	81,342	56,238
Other	2,530	223
Total non-monetary contributions	139,823	89,136
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	3,697	1,021
Infrastructure assets transferred to VicRoads at nil value	-	(11,677)
Disposal from roads reconstruction	-	(13,161)
Other asset disposals	(2,835)	(2,482)
Write down value of assets disposed	(2,835)	(27,320)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	862	(26,299)
Note 9 Other income		
Interest	5,217	5,411
Dividends	-	-
Total other income	5,217	5,411
Note 10 (a) Employee costs		
Wages and salaries	94,052	80,941
WorkCover	2,299	1,899
Casual staff	2,966	3,068
Superannuation	8,428	7,412
Fringe benefits tax	580	554
Other	3,271	1,621
Total employee costs	111,596	95,496
Note 10 (b) Superannuation		
Council made actual cash contributions to the following funds in the current financial year:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	590	629
Employer contributions payable at reporting date.	590	629
	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,890	4,238
Employer contributions - other funds	2,879	2,447
Employer contributions payable at reporting date.	7,769	6,685
	-	-
Refer to note 34 for further information relating to Council's superannuation obligations.		

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Notes to the Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$'000	\$'000
Note 11 Materials and services		
Contract payments	73,730	58,879
Building maintenance	1,306	988
General maintenance	8,992	8,167
Utilities	7,563	6,335
Office administration	1,623	1,547
Information technology	2,418	2,880
Insurance	1,064	1,310
Consultants	4,803	4,557
Total materials and services	101,499	84,662
Note 12 Bad and doubtful debts		
Parking and other infringement debtors	2,826	248
Other debtors	63	28
Total bad and doubtful debts	2,889	277
Note 13 Depreciation and amortisation		
Property	9,309	9,179
Plant and equipment	4,052	3,203
Infrastructure	49,495	46,328
Total depreciation	62,856	58,711
Intangible assets	2,508	2,632
Total depreciation and amortisation	65,364	61,343
<i>Refer to note 22 and 23 for a more detailed breakdown of depreciation and amortisation charges</i>		
Note 14 Borrowing costs		
Interest - Borrowings	1,868	2,058
Total borrowing costs	1,868	2,058
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	73	59
Auditors' remuneration - Internal	243	211
Councillors' allowances	415	409
Operating lease rentals	419	372
Grants and Contributions	1,842	1,737
Total other expenses	2,992	2,789

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Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 16 Cash and cash equivalents		
Cash on hand	22	35
Cash at bank	16,888	28,239
Term deposits	-	4,000
	<u>16,910</u>	<u>32,274</u>

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

Unexpended Grants and Subsidies	1,467	2,431
Trust funds and deposits (Note 25)	12,100	7,904
Statutory Reserves	6,350	4,666
Developer Contributions	80,650	61,853
Total restricted funds	<u>100,567</u>	<u>76,853</u>
Total unrestricted cash and cash equivalents	<u>(83,657)</u>	<u>(44,579)</u>
Other financial assets	152,938	85,404
Total unrestricted cash and cash equivalents and Other financial assets	<u>69,281</u>	<u>40,825</u>

Intended allocations

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

Cash held to fund carried forward capital works	20,423	15,739
Total funds subject to intended allocations	<u>20,423</u>	<u>15,739</u>

Refer also to Note 18 for details of other financial assets held by Council.

Note 17 Trade and other receivables

Current

Rates debtors	13,725	11,627
Special rate assessment	39	39
Parking and other infringement debtors	5,299	4,728
Provision for doubtful debts - parking and other infringements	(4,684)	(1,881)
Other debtors	16,869	16,782
Provision for doubtful debts - other debtors	(665)	(633)
Total current trade and other receivables	<u>30,583</u>	<u>30,662</u>

Non-current

Special rate scheme	79	118
Loans and advances to community organisations	1,560	1,560
Total non-current trade and other receivables	<u>1,639</u>	<u>1,678</u>
Total trade and other receivables	<u>32,222</u>	<u>32,340</u>

a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	11,074	11,418
Past due by up to 30 days	3,370	2,429
Past due between 31 and 180 days	1,327	2,064
Past due between 181 and 365 days	391	61
Past due by more than 1 year	707	811
Total trade & other receivables	<u>16,869</u>	<u>16,782</u>

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For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 17 Trade and other receivables (Contd)		
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	2,514	2,285
New Provisions recognised during the year	2,910	295
Amounts already provided for and written off as uncollectible	(55)	(39)
Amounts provided for but recovered during the year	(20)	(27)
Balance at end of year	<u>5,349</u>	<u>2,514</u>
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$664,705 (2015: \$633,378) were impaired. The amount of the provision raised against these debtors was \$664,705 (2015: \$633,378). The individually impaired debtors 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.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	5	8
Past due between 181 and 365 days	52	28
Past due by more than 1 year	608	598
Total trade & other receivables	<u>665</u>	<u>633</u>
Note 18 Other financial assets		
Term deposits	152,938	85,404
Total other financial assets	<u>152,938</u>	<u>85,404</u>
Note 19 Inventories		
Inventories held for distribution	200	140
Total inventories	<u>200</u>	<u>140</u>
Note 20 Non current assets classified as held for sale		
Cost of acquisition (land)	10,782	23
Total non current assets classified as held for resale	<u>10,782</u>	<u>23</u>
Note 21 Other assets		
Prepayments	936	696
Accrued income	1,330	2,514
Total other assets	<u>2,266</u>	<u>3,210</u>

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Note 22 Property, infrastructure plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Revaluation/ Impairment	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Revaluation/ Impairment	Accumulated Depreciation	WDV 30 June 2015
Land	696,028	113,858	1,698	808,188	676,461		7,782	668,679
Buildings	246,049	3,311	-	249,360	231,573		4,497	227,076
Plant and Equipment	45,495		18,881	26,614	42,413		16,445	25,968
Infrastructure	2,301,294	(8,091)	284,459	2,008,744	2,132,636	(106)	239,698	1,892,832
Work in progress	31,179		-	31,179	63,237		-	63,237
	<u>3,320,045</u>	<u>109,078</u>	<u>305,038</u>	<u>3,124,085</u>	<u>3,146,320</u>	<u>-</u>	<u>268,422</u>	<u>2,877,792</u>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	24,848	7,950	(15,397)	-	17,401
Plant and Equipment	43	332	(42)	-	333
Infrastructure	38,346	9,793	(34,694)	-	13,445
Total	<u>63,237</u>	<u>18,075</u>	<u>(50,133)</u>	<u>-</u>	<u>31,179</u>

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Notes to the Financial Report
For the Year Ended 30 June 2016

Note 22 Property, infrastructure plant and equipment (cont'd)

Land and Buildings	Note	Land - non specialised	Land - specialised	Land improvements	Land under roads	Total Land	Heritage Buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015		532,563	-	13,526	130,372	676,461	1,150	200,516	29,908	231,574	24,848	932,883
Accumulated depreciation at 1 July 2015		-	-	(7,782)	-	(7,782)	(55)	(3,497)	(945)	(4,497)	-	(12,279)
		532,563	-	5,744	130,372	668,679	1,095	197,019	28,963	227,077	24,848	920,604
Movements in fair value												
Acquired assets at fair value		670	-	10,686	15	11,371	-	25,160	71	25,231	7,950	44,552
Contributed assets at fair value		17,247	-	-	10,863	28,110	-	-	-	-	-	28,110
Revaluation increments/decrements		113,858	-	-	-	113,858	(145)	(9,681)	2,381	(7,445)	-	106,413
Fair value of assets disposed		(5)	-	(9,150)	-	(9,155)	-	-	-	-	-	(9,155)
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-
Transfers		(530,306)	519,547	-	-	(10,759)	-	(31,582)	31,582	-	(15,397)	(26,156)
		(398,536)	519,547	1,536	10,878	133,425	(145)	(16,103)	34,034	17,786	(7,447)	143,764
Movements in accumulated depreciation												
Depreciation and amortisation		-	-	(3,050)	-	(3,050)	(55)	(5,256)	(949)	(6,260)	-	(9,310)
Accumulated depreciation of disposals		-	-	9,134	-	9,134	-	-	-	-	-	9,134
Revaluation increments/decrements		-	-	-	-	-	110	8,753	1,894	10,757	-	10,757
Transfers		-	-	-	-	-	-	-	-	-	-	-
		-	-	6,084	-	6,084	55	3,497	945	4,497	-	10,581
At fair value 30 June 2016		134,027	519,547	15,062	141,250	809,886	1,005	184,413	63,942	249,360	17,401	1,076,647
Accumulated depreciation at 30 June 2016		-	-	(1,698)	-	(1,698)	-	-	-	-	-	(1,698)
		134,027	519,547	13,364	141,250	808,188	1,005	184,413	63,942	249,360	17,401	1,074,949

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Notes to the Financial Report
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Note 22 Property, infrastructure plant and equipment (cont'd)

Plant and Equipment	Note	Heritage and Culture	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
At fair value 1 July 2015		1,311	23,184	6,468	3,481	7,968	43	42,455
Accumulated depreciation at 1 July 2015		(123)	(7,922)	(1,665)	(1,790)	(4,944)	-	(16,444)
		1,188	15,262	4,803	1,691	3,024	43	26,011
Movements in fair value								
Acquired assets at fair value		3	1,978	2,842	110	1,292	332	6,557
Revaluation increments/decrements		-	-	-	-	-	-	-
Fair value of assets disposed		-	(2,241)	(901)	-	-	-	(3,142)
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	(42)	(42)
		3	(263)	1,941	110	1,292	290	3,373
Movements in accumulated depreciation								
Depreciation and amortisation		(12)	(2,463)	(850)	(378)	(350)	-	(4,053)
Accumulated depreciation of disposals		-	1,240	376	-	-	-	1,616
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		(12)	(1,223)	(474)	(378)	(350)	-	(2,437)
At fair value 30 June 2016		1,314	22,921	8,409	3,591	9,260	333	45,828
Accumulated depreciation at 30 June 2016		(135)	(9,145)	(2,139)	(2,168)	(5,294)	-	(18,881)
		1,179	13,776	6,270	1,423	3,966	333	26,947

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Notes to the Financial Report
For the Year Ended 30 June 2016

Note 22 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Waste Management	Parks open spaces and streetscapes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
At fair value 1 July 2015		1,454,191	66,295	85,131	383,939	52,814	2,357	32,190	34,846	20,767	38,346	2,170,876
Accumulated depreciation at 1 July 2015		(128,383)	(8,058)	(25,739)	(56,324)	(9,835)	(434)	(4,698)	(1,922)	(4,305)	-	(239,698)
		1,325,808	58,237	59,392	327,615	42,979	1,923	27,492	32,924	16,462	38,346	1,931,178
Movements in fair value												
Acquired assets at fair value		30,531	-	12,112	1,109	6,230	-	4,247	3,224	5,621	9,793	72,867
Contributed assets at fair value		81,342	2,530	-	27,841	-	-	-	-	-	-	111,713
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-	-	-
Fair value of assets disposed		-	-	0	-	(1,528)	-	(41)	(993)	(81)	-	(2,643)
Impairment losses recognised in Asset Revaluation Reserve		(11,325)	-	(146)	-	-	-	-	-	-	-	(11,471)
Transfers		-	-	-	-	-	-	-	-	-	(34,694)	(34,694)
		100,548	2,530	11,966	28,950	4,702	-	4,206	2,231	5,540	(24,901)	135,772
Movements in accumulated depreciation												
Depreciation and amortisation		(36,318)	(857)	(2,301)	(3,960)	(2,573)	(70)	(1,411)	(893)	(1,114)	-	(49,497)
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals		0	-	(0)	-	1,249	-	11	46	50	-	1,356
Impairment losses recognised in Asset Revaluation Reserve		3,321	-	59	-	-	-	-	-	-	-	3,380
Transfers		-	-	-	-	-	-	-	-	-	-	-
		(32,997)	(857)	(2,242)	(3,960)	(1,324)	(70)	(1,400)	(847)	(1,064)	-	(44,761)
At fair value 30 June 2016		1,554,739	68,825	97,097	412,889	57,516	2,357	36,396	37,077	26,307	13,445	2,306,648
Accumulated depreciation at 30 June 2016		(161,380)	(8,915)	(27,981)	(60,284)	(11,159)	(504)	(6,098)	(2,769)	(5,369)	-	(284,459)
		1,393,359	59,910	69,116	352,605	46,357	1,853	30,298	34,308	20,938	13,445	2,022,189

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Notes to the Financial Report
For the Year Ended 30 June 2016

Note 22 Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Alvin Lee (valuer registration no. 62944). 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 surplus for the year in the comprehensive income statement.

Level 2 assets include non specialised land and non specialised buildings and are valued based on observable inputs such as comparable market sales

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	134,027	519,547
Land Improvements	-	-	13,364
Buildings	-	63,942	184,413
Heritage Buildings	-	1,005	-
Total	-	198,974	717,324

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Wyndham City.

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 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	1,393,359
Bridges	-	-	59,910
Footpaths and cycleways	-	-	69,116
Drainage	-	-	352,605
Total	-	-	1,874,990

Note that land under roads is excluded from the table above as it is valued at deemed cost. (Refer to Note 1m)

Description of significant unobservable inputs into level 3 valuations

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 is calculated on a square metre basis and ranges from \$450 to \$5,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 years to 50 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 6 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 infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

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Notes to the Financial Report
For the Year Ended 30 June 2016

		2016 \$'000	2015 \$'000	
Note 23 Intangible assets				
Software		6,116	6,216	
Landfill air space		5,774	977	
Work in progress		77	-	
Total intangible assets		<u>11,967</u>	<u>7,193</u>	
	Software	Landfill	Work in progress	
	\$'000	\$'000	\$'000	
	Total		\$'000	
Gross carrying amount				
Balance at 1 July 2014	6,012	14,021	1,215	21,248
Additions from internal developments and acquisitions	2,666	-	-	2,666
Other	-	(9,848)	(1,215)	(11,063)
Balance at 1 July 2015	<u>8,678</u>	<u>4,173</u>	<u>-</u>	<u>12,851</u>
Additions from internal developments	-	6,209	-	6,209
Additions from acquisitions	997	-	-	997
Other	-	(4,173)	77	(4,096)
Balance at 30 June 2016	<u>9,675</u>	<u>6,209</u>	<u>77</u>	<u>15,961</u>
Accumulated amortisation and impairment				
Balance at 1 July 2014	1,704	3,786	-	5,490
Amortisation expense	758	(590)	-	168
Balance at 1 July 2015	<u>2,462</u>	<u>3,196</u>	<u>-</u>	<u>5,658</u>
Amortisation expense	1,097	(2,761)	-	(1,664)
Balance at 30 June 2016	<u>3,559</u>	<u>435</u>	<u>-</u>	<u>3,994</u>
Net book value at 30 June 2015	6,216	977	-	7,193
Net book value at 30 June 2016	<u>6,116</u>	<u>5,774</u>	<u>77</u>	<u>11,967</u>
		2016 \$'000	2015 \$'000	
Note 24 Trade and other payables				
Trade payables		4,283	9,659	
Accrued expenses		17,662	18,308	
Total trade and other payables		<u>21,945</u>	<u>27,967</u>	

Wyndham City
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Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 25 Trust funds and deposits		
Refundable deposits	10,367	5,871
Fire services levy	1,529	1,529
Retention amounts	204	504
Total trust funds and deposits	12,100	7,904

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 building works, tender deposits, contract deposits 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.

Note 26 Provisions

	Employee	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2016				
Balance at beginning of the financial year	18,884	12,997	8,493	40,374
Additional provisions	14,729	13,863	-	28,592
Amounts used	(12,095)	-	(2,103)	(14,198)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(619)	(8)	-	(627)
Balance at the end of the financial year	20,899	26,852	6,390	54,141
2015				
Balance at beginning of the financial year	17,490	12,406	8,066	37,962
Additional provisions	9,052	569	582	10,203
Amounts used	(7,055)	(350)	(155)	(7,561)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(603)	372	-	(231)
Balance at the end of the financial year	18,884	12,997	8,493	40,374

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Notes to the Financial Report
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	2016	2015
	\$'000	\$'000
Note 26 Provisions (cont'd)		
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	6,343	5,728
Long service leave	829	526
	<u>7,172</u>	<u>6,254</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	906	843
Long service leave	8,494	8,141
	<u>9,400</u>	<u>8,984</u>
Total current provisions	<u>16,572</u>	<u>15,237</u>
Non-current		
Long service leave	4,327	3,647
Annual leave	-	-
Total non-current provisions	<u>4,327</u>	<u>3,647</u>
Aggregate carrying amount of employee provisions:		
Current	16,572	15,237
Non-current	4,327	3,647
Total aggregate carrying amount of employee provisions	<u>20,899</u>	<u>18,884</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.13%	4.44%
Weighted average discount rates	1.79%	2.53%
Weighted average settlement period	13 years	13 years
(b) Landfill restoration		
Current	-	-
Non-current	26,852	12,997
	<u>26,852</u>	<u>12,997</u>
The following assumptions were adopted in measuring the present value of landfill restoration:		
Weighted average increase in costs	1.60%	2.30%
Weighted average discount rates	1.67%	2.22%
Weighted average settlement period (years)	5	5
(c) Other provisions - carbon tax		
Current	5,880	-
Non-current	-	7,911
	<u>5,880</u>	<u>7,911</u>

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Notes to the Financial Report
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	2016 \$'000	2015 \$'000
Note 26 Provisions (cont'd)		
(d) Other provisions - sundry creditors		
Current	-	-
Non-current	510	582
	<u>510</u>	<u>582</u>
Note 27 Interest-bearing loans and borrowings		
Current		
Borrowings - secured (1)	-	-
Non-current		
Borrowings - secured (1)	55,000	40,000
Total	<u>55,000</u>	<u>40,000</u>
 (1) Borrowings are secured by a mortgage over general rates.		
a) The maturity profile for Council's borrowings is:		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	55,000	40,000
	<u>55,000</u>	<u>40,000</u>

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Notes to the Financial Report
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Note 28 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserves			
2016			
Property			
Land	295,028	113,858	408,886
Buildings	29,671	3,311	32,982
	<u>324,699</u>	<u>117,169</u>	<u>441,868</u>
Infrastructure			
Roads	835,691	(8,004)	827,687
Bridges	48,254	-	48,254
Footpaths and cycleways	18,509	(87)	18,422
Drainage	113,786	-	113,786
Off street car parks	12,045	-	12,045
Other infrastructure	-	-	-
	<u>1,028,285</u>	<u>(8,091)</u>	<u>1,020,194</u>
Total asset revaluation reserves	1,352,984	109,078	1,462,062
2015			
Property			
Land	295,028	-	295,028
Buildings	29,671	-	29,671
	<u>324,698</u>	<u>-</u>	<u>324,698</u>
Infrastructure			
Roads	835,797	(106)	835,691
Bridges	48,254	-	48,254
Footpaths and cycleways	18,509	-	18,509
Drainage	113,786	-	113,786
Off street car parks	12,044	-	12,045
Other infrastructure	-	-	-
	<u>1,028,391</u>	<u>(106)</u>	<u>1,028,285</u>
Total asset revaluation reserves	1,353,090	(106)	1,352,984

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

Wyndham City
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Notes to the Financial Report
For the Year Ended 30 June 2016

Note 28 Reserves (Cont'd)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2016				
Asset replacement and development reserves	68,949	36,718	(17,200)	88,467
Total Other reserves	68,949	36,718	(17,200)	88,467
2015				
Asset replacement and development reserves	61,253	17,435	(9,739)	68,949
Total Other reserves	61,253	17,435	(9,739)	68,949

The purpose of the Asset Development Reserve is to assist in the construction of new infrastructure to meet the growing needs of the municipality.

The Asset Replacement Reserve is established to fund the replacement of non standard street lighting and the Victoria University of Technology Athletics Track.

	2016 \$'000	2015 \$'000
Note 29 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	176,976	99,264
Depreciation/amortisation	65,364	61,343
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(862)	26,299
Contributions - Non-monetary assets	(139,823)	(89,136)
Finance cost	1,868	2,058
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	118	(2,165)
Decrease in prepayments	944	(1,310)
Increase/(decrease) in accrued income	1,836	641
Increase/(decrease) in trade and other payables	(9,887)	1,225
Increase/(decrease) in trust and deposits	4,196	(658)
(Decrease)/increase in other liabilities	-	-
(Increase)/decrease in inventories	(60)	(17)
Increase/(Decrease) in provisions	15,797	2,567
Finance cost		
Net cash provided by/(used in) operating activities	116,467	100,110
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 16)	16,910	32,274
Less bank overdraft	-	-
	16,910	32,274
Note 31 Financing arrangements		
Credit card facility	525	525
Used facilities	(120)	(106)
Unused facilities	405	419

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 32 Commitments

The Council has entered into the following commitments

2016	Not later than 1 year	Later than 1 year	Later than 2 years	Later than 5 years	Total
		and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Open space management	1,740	1,581	2,914	-	6,235
Consultancies	1,499	396	286	-	2,181
Cleaning contracts for council buildings	2,051	2,080	4,869	-	9,000
Other	369	264	353	-	986
Total	5,659	4,321	8,422	-	18,402
Capital					
Property	13,325	-	-	-	13,325
Plant and Equipment	1,471	-	-	-	1,471
Infrastructure	13,151	-	-	-	13,151
Total	27,947	-	-	-	27,947

2015	Not later than 1 year	Later than 1 year	Later than 2 years	Later than 5 years	Total
		and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Open space management	436	114	-	-	550
Consultancies	798	407	98	-	1,303
Cleaning contracts for council buildings	1,954	529	522	-	3,005
Meals for delivery	280	148	102	-	530
Total	3,468	1,198	722	-	5,388
Capital					
Property	15,541	-	-	-	15,541
Plant and equipment	2,166	-	-	-	2,166
Infrastructure	16,378	-	-	-	16,378
Total	34,085	-	-	-	34,085

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$'000	\$'000
Note 33 Operating leases		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	352	311
Later than one year and not later than five years	185	528
Later than five years	-	-
	537	839
(b) Operating lease receivables		
The Council has entered into commercial property leases on its property, consisting of surplus freehold office complexes. These properties held under operating leases can have remaining lease terms of between 1 and 10 years.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	92	96
Later than one year and not later than five years	-	80
Later than five years	-	-
	92	176

Note 34 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2016 was 102%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

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

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 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 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$577,119.

Note 35 Contingent liabilities and contingent assets

Contingent liabilities

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 in Note 34. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Council operates a landfill. Council is required to cover the remedial action cost in the unlikely event of potential pollution of the environment. At this moment, the amount of this obligation cannot be measured with sufficient reliability.

Contingent assets

Wyndham City acquires infrastructure assets, such as local roads, footpaths, kerb and channel and drains etc, from developers, as subdivisional contributions. The amount and value of assets acquired depends on the size of the development and the level of growth within the municipality. Council estimates \$185 million of subdivisional contribution from developers in future years. The estimate is based on the number of subdivisions as at 30 June 2016, that have commenced that Wyndham City will acquire over time using the average value of the subdivisions that were recognised in the 2015/2016 financial year.

Note 36 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 Note 1 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. 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 rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- 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 us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

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

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.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

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.

Note 36 Financial Instruments (cont'd.)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we 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:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets 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 in the face of the balance sheet, 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 27.

e) Fair value

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.

(f) 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 +1.0% and -1.0 % in market interest rates (AUD) from year-end rates.

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.

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 37 Related party transactions

(i) Responsible Persons

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

Councillors	Adele Hegedich (Mayor: Oct 2015 to current)
	Peter Maynard (Mayor: Jul to Oct 2015)
	Gautam Gupta
	Glenn Goodfellow
	Heather Marcus
	Intaj Khan
	John Gibbons
	Marie Brittan
	Michele Wharrie
	Peter Gibbons
	Robert Fairclough
Chief Executive Officer	Kerry Thompson (Jul to Aug 2015)
	Kelly Grigsby (Aug 2015 to current)

(ii) Remuneration of Responsible Persons

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

	2016 No.	2015 No.
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	8	8
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	1
\$80,000 - \$89,999	1	1
\$230,000 - \$239,999	1	-
\$370,000 - \$379,999	1	-
\$380,000 - \$389,999	-	1
	13	12

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

\$	1,025,374	\$	790,633
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Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

(iii) **Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who:
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$139,000

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

Income Range:	2016 No.	2015 No.
\$139,000 - \$139,999	2	-
\$140,000 - \$149,999	9	6
\$150,000 - \$159,999	10	2
\$160,000 - \$169,999	3	7
\$170,000 - \$179,999	7	5
\$180,000 - \$189,999	5	6
\$190,000 - \$199,999	-	3
\$200,000 - \$209,999	-	2
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	1	
\$260,000 - \$269,999	1	
\$270,000 - \$279,999	1	
\$360,000 - \$369,999	1	
\$380,000 - \$389,999	1	
\$460,000 - \$469,999	1	
\$480,000 - \$489,999	1	
\$550,000 - \$559,999	1	2
	<u>45</u>	<u>34</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to \$ 8,636,897 \$ 6,451,881

(iv) **Responsible persons retirement benefits**

No retirement benefits have been made by Wyndham City to a Responsible Person during the reporting year (2015 - Nil).

(v) **Loans to responsible persons**

No loans have been made by Wyndham City to a Responsible Person during the reporting year (2015 - Nil).

(vi) **Transactions with responsible persons**

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

	2016 \$	2015 \$
Tim Marcus Family Trust - photography services	11,565	25,916
Squires Coaches Pty Ltd - shuttle bus services	1,110	4,985

Note 38 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Wyndham City
2015/2016 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 39 Investment in Subsidiaries

Subsidiaries

Western Leisure Services Pty Ltd.

Western Leisure Services was created by Wyndham City to manage three of its major recreation facilities and is fully owned by Wyndham City.

Summarised financial information

	2016	2015
	\$'000	\$'000
Summarised statement of comprehensive income		
Total income	11,562	2,488
Total expenses	(10,801)	(2,727)
Surplus/(deficit) for the year	<u>761</u>	<u>(239)</u>
Other comprehensive income	-	-
Total comprehensive result	<u>761</u>	<u>(239)</u>
Summarised balance sheet		
Current assets	3,032	2,400
Non-current assets	-	-
Total assets	<u>3,032</u>	<u>2,400</u>
Current liabilities	1,994	2,135
Non-current liabilities	16	4
Total liabilities	<u>2,010</u>	<u>2,139</u>
Net Assets	<u>1,022</u>	<u>261</u>
Summarised statement of cash flows		
Net cash provided by / (used in) operating activities	379	1,790
Net cash provided by / (used in) investing activities	-	-
Net cash provided by / (used in) financing activities	-	500
Net increase / (decrease) in cash and cash equivalents	<u>379</u>	<u>2,290</u>

Wyndham City
2015/2016 Financial Report

Certification of the Financial Statements

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

Steven Lambert
Principal Accounting Officer
Date :

45 Princes Highway, Werribee, Victoria

In our opinion the accompanying financial statements present fairly the financial transactions of Wyndham City Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Adele Hegedich
Mayor
Date :
45 Princes Highway, Werribee, Victoria

Glenn Goodfellow, GAICD
Councillor
Date :
45 Princes Highway, Werribee, Victoria

Kelly Grigsby
Chief Executive Officer
Date :
45 Princes Highway, Werribee, Victoria

WYNDHAM CITY
PERFORMANCE STATEMENT

For the Year Ended 30 June 2016

Performance Statement

For the year ended 30 June 2016

Description of municipality

The City of Wyndham is located on the western edge of Melbourne, between the metropolitan area and Geelong. Wyndham covers an area of 542km and features 27.4km of coastline bordering Port Phillip to the east. As a meeting place for people of the Kulin nations, Wyndham City has an extremely rich and diverse Aboriginal cultural heritage.

The City of Wyndham has a forecasted population of over 209,000 for 2016. As the second fastest growing municipality in Victoria, Wyndham is characterised by its strategically placed location with excellent logistic connections to air and sea ports. The city also offers intensive agriculture at Werribee South, major retail precincts and the Werribee Park tourism precinct – one of the largest and most frequently visited tourism destinations in metropolitan Melbourne.

Sustainable Capacity Indicators

For the year ended 30 June 2016

<i>Indicator / measure</i>	Results		Material Variations
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,235	\$1,364	Expenses have increased as a result of increased labour costs, the commencement of Western Leisure Services and the future provision for landfill related costs.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$11,229	\$14,214	Infrastructure assets have increased with the increase of new subdivision activities.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	155.3	155.4	No material variation
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$962	\$1,198	Revenue has increased partly due to the operations of Western Leisure Services commencing in 2015/16, increased fees for landfill tipping and higher fees in relation to the growth in subdivision and building development.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$211	\$142	Recurrent grants have mainly decreased due to half of 2015/16 Victoria Grants Commission grants (\$6.15 million) being received at the end of 2014/15.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	7	7	No material variation

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 above

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2016

Service / indicator / measure	Results		Material Variations
	2015	2016	
Aquatic facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0	4	Utilisation of the aquatic facilities has increased with the commencement of AquaPulse.
Animal management			
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	21	33	There were 37 prosecutions for the financial year of which 33 were successful prosecutions proven by the court. The remaining four prosecutions were settled out of court in favour of Council.
Food safety			
Health and safety			
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	There were four reports of critical and major non-compliances which were all investigated and resolved.
Governance			
Satisfaction			
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	64.0	69.8	This demonstrates Council's commitment to listening to the community, community engagement and transparency in its decision making process.
Home and community care			
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	14.0%	29.4%	Over the past year Council has been working hard to ensure that appropriate levels of service are provided based on need. An equity-based priority of access tool has been developed and implemented to ensure consistency in service distribution as appropriate to need.
<i>Participation</i>			
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	14.0%	10.2%	Council is addressing this decrease in participation by CALD residents by implementing a range of initiatives targeted at Allied Health professionals.
Libraries			
Participation			
<i>Active library members</i> [Number of active library members / Municipal population] x100	10.0%	14.8%	With the inclusion of eBooks usage to this measure and the opening of the new Julia Gillard Library Tarneit, active membership has increased.
Maternal and child health			
Participation			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	71.0%	n/a	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/16 financial year.

Service / indicator / measure	Results		Material Variations
	2015	2016	
Participation			
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	73.0%	n/a	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/16 financial year.
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	66.0	66.4	This satisfaction rating recognises Council's continuing commitment to meet community expectation in providing a local road network that is serviceable and safe.
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	60.0%	64.0%	The number of planning decisions upheld at VCAT has increased from 60% last year to 64% this year. Council makes planning application decisions which are consistent with the local planning scheme and when challenged at VCAT, have been supported 64% of the time.
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	37.0%	36.5%	A new Waste and Litter Strategy has been adopted with long term waste diversion targets of 90% diversion by 2040. A number of programs and initiatives are being implemented with the aim of working towards the long term targets.

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*.

Financial Performance Indicators

For the year ended 30 June 2016

Dimension / indicator / measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue level							
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,494	\$1,582	\$1,612	\$1,702	\$1,728	\$1,756	The average rate increase for the 2015/16 year was 5.5%. The outer year forecasts an increase in general rates of 2.5% in 2016/17 and 4.5% thereafter. The 4.5% increase is however subject to approval from the Minister under the rate capping framework.
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,085	\$3,418	\$3,308	\$3,407	\$3,531	\$3,643	Expenses per property assessment have increased as a result of increased labour costs, the commencement of Western Leisure Services and the future provision for landfill related costs.
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	8.0%	9.4%	8.0%	8.0%	8.0%	8.0%	The increase in staff turnover is due in part to the review of the Aged and Disability services and the Wyndham 2040 restructure.
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	296.9%	378.2%	303.0%	302.0%	282.2%	271.0%	Working capital percentage has increased due to an increase in current assets. This relates mainly to the increase in Developer Contributions that are held in cash backed reserves, as well as, Werribee CBD land that has been classified as a current asset held for sale.
Unrestricted cash							
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	36.8%	86.5%	97.5%	89.7%	73.8%	61.2%	The increase in the unrestricted cash ratio is due mostly to \$15 million of new borrowings undertaken in 2015/16. These funds will be expended for the capital works program which has been carried forward to the 2016/17 financial year.

Dimension/indicator/measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Obligations							
Asset renewal							
Asset renewal compared to depreciation	82.5%	22.6%	31.0%	30.5%	28.8%	30.3%	The 2014/15 results included a major project being the redevelopment of Wyndham's Leisure and Events Centre. This has contributed to the higher percentage for that year in comparison to 2015/16 and outer year forecasts.
[Asset renewal expenses / Asset depreciation] x100							
Loans and borrowings							
Loans and borrowings compared to rates	27.0%	34.2%	32.6%	34.2%	36.7%	45.3%	Council increased its borrowings from \$40 million in 2014/15 to \$55 million in 2015/16 to fund capital works.
[Interest bearing loans and borrowings / Rate revenue] x100							
Loans and borrowings							
Loans and borrowings repayments compared to rates	28.6%	1.2%	1.5%	1.6%	1.7%	2.1%	The 2014/15 result was impacted by a short term loan of \$40 million being repaid and the debt replaced by \$40 million in borrowing through the issue of bonds. Current and forecast years interest payments are between 1% and 2% of rates revenue.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100							
Indebtedness							
Non-current liabilities compared to own source revenue	33.9%	34.5%	28.8%	31.6%	31.3%	36.9%	No material variations
[Non-current liabilities / Own source revenue] x100							
Operating position							
Adjusted underlying result							
Adjusted underlying surplus (or deficit)	-4.0%	-1.2%	4.3%	4.8%	4.8%	4.8%	This result has improved from 2014/15 as revenue has increased with the commencement of Western Leisure Services, increased fees for landfill tipping and higher fees in relation to the growth in subdivision and building development.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100							
Stability							
Rates concentration							
Rates compared to adjusted underlying revenue	62.5%	56.9%	55.9%	56.9%	57.2%	57.6%	Whilst the average general rates has increased by 5.5%, revenue has increased due to the commencement of Western Leisure Services, increased fees for landfill tipping and higher fees in relation to the growth in subdivision and building development.
[Rate revenue / Adjusted underlying revenue] x100							

Dimension / indicator / measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Rates effort							
Rates compared to property values	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	No material variations
[Rate revenue / Capital improved value of rateable properties in the municipality] x100							

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 above

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

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

Other Information

For the year ended 30 June 2016

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 27 June 2016 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.

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.

Steven Lambert
Principal Accounting Officer
Dated:

In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2016 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.

Adele Hegedich
Mayor
Dated:

Glenn Goodfellow, GAICD
Councillor
Dated:

Kelly Grigsby
Chief Executive Officer
Dated:

Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist

Governance and Management Items	Assessment	
1 Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 24 June 2013	<input checked="" type="checkbox"/>
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 8 October 2013	<input checked="" type="checkbox"/>
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 27 June 2016	<input checked="" type="checkbox"/>
4 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)	Adopted in accordance with section 130 of the Act Date of adoption: 27 June 2016	<input checked="" type="checkbox"/>
5 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)	Plans Date of operation of current plans: Facilities 2 July 2011 Open Space 2 July 2011 Roads 2 July 2011 Stormwater 2 July 2011	<input checked="" type="checkbox"/>
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 27 June 2016	<input checked="" type="checkbox"/>
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 23 June 2014	<input checked="" type="checkbox"/>
8 Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 11 March 2015	<input checked="" type="checkbox"/>
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 23 January 2015	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment	
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 27 June 2016	<input checked="" type="checkbox"/>
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 1 December 2014	<input checked="" type="checkbox"/>
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 1 June 2016	<input checked="" type="checkbox"/>
13 Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 4 March 2015	<input checked="" type="checkbox"/>
14 Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 17 June 1996	<input checked="" type="checkbox"/>
15 Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider: 20 February 2016	<input checked="" type="checkbox"/>
16 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)	Framework Date of operation of current framework: 1 July 2015	<input checked="" type="checkbox"/>
17 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)	Report Date of report: 22 February 2016	<input checked="" type="checkbox"/>
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act Date statements presented: 14 September 2015, 23 November 2015, 22 February 2016 and 23 May 2016	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment	
19 Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 9 December 2015 and 15 June 2016	<input checked="" type="checkbox"/>
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports: 14 September 2015 and 2 February 2016	<input checked="" type="checkbox"/>
21 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)	Considered and approved at a meeting of council in accordance with section 134 of the Act Date statements presented: 26 October 2015	<input checked="" type="checkbox"/>
22 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 Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 14 June 2016	<input checked="" type="checkbox"/>
23 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)	Reviewed in accordance with section 98(6) of the Act Date of review: Council to CEO: 24 June 2013 CEO to Staff: 15 June 2016	<input checked="" type="checkbox"/>
24 Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 22 September 2014	<input checked="" type="checkbox"/>

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

Kelly Grigsby
 Chief Executive Officer
 Dated:

Cr Adele Hegedich
 Mayor
 Dated:

The meeting closed at 7.17pm