



MANNINGHAM

Special Meeting of Council

MINUTES

Date:	Tuesday, 11 September 2018
Time:	6:30pm
Location:	Council Chamber, Civic Centre 699 Doncaster Road, Doncaster

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**MANNINGHAM CITY COUNCIL
MINUTES OF THE SPECIAL MEETING OF THE COUNCIL
HELD ON 11 SEPTEMBER 2018 AT 6:30PM
IN COUNCIL CHAMBER, CIVIC CENTRE
699 DONCASTER ROAD, DONCASTER**

The meeting commenced at 6:31pm.

PRESENT: Councillor Andrew Conlon (Mayor)
Councillor Michelle Kleinert (Deputy Mayor)
Councillor Anna Chen
Councillor Sophy Galbally
Councillor Geoff Gough
Councillor Dot Haynes
Councillor Paul McLeish
Councillor Paula Piccinini
Councillor Mike Zafirooulos

OFFICERS PRESENT: Acting Chief Executive Officer, Ms Jill Colson
Director Assets & Engineering, Mr Leigh Harrison
Director Shared Services, Mr Philip Lee
Director City Planning & Community, Mr Angelo Kourambas
Acting Executive Manager People & Governance, Mr Andrew McMaster

**1 OPENING PRAYER AND STATEMENTS OF
ACKNOWLEDGEMENT**

The Mayor read the Opening Prayer & Statements of Acknowledgement.

2 APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE

There were no apologies.

3 PRIOR NOTIFICATION OF CONFLICT OF INTEREST

The Chairman asked if there were any written disclosures of a conflict of interest submitted prior to the meeting and invited Councillors to disclose any conflict of interest in any item listed on the Council Agenda.



There were no disclosures made.

4 SHARED SERVICES

4.1 2017-18 Financial Report and 2017-18 Performance Statement; Adoption in Principle

File Number: IN18/390

Responsible Director: Director Shared Services

Attachments: 1 2017/18 Annual Financial Report Adoption in Principle [↓](#)

2 Performance Statement 2017-18 Adoption in Principle [↓](#)


EXECUTIVE SUMMARY

The completed 2017-18 Financial Report and 2017-18 Performance Statement are presented to Council for adoption in principle prior to their lodgement with the Auditor-General.

A detailed audit of the Financial Report and Performance Statement was undertaken by the Auditor-General's agent during August 2018. The "Closing Report – Manningham City Council for the year ended 30 June 2018" concluded that the 2017-18 Financial Report (attachment 1) and 2017-18 Performance Statement (attachment 2) "present fairly". It is expected that a clear (unmodified) opinion be issued on the Financial Report and Performance Statement.

The 2017-18 Financial Report and 2017-18 Performance Statement together with the Closing Report and Final Management Letter from the Victorian Auditor-General's Office were presented to the Audit and Risk Committee on 31 August 2018. The Audit and Risk Committee recommended a number of non-material changes and these have been incorporated into the final documents attached to this report.

The Audit and Risk Committee is satisfied that an appropriate external audit process has taken place and that the Committee's review of the reports did not identify any issues that would prevent the Council from adopting the Financial Report and Performance Statement "in principle" for submission to the Auditor-General.

The Financial Report and Performance Statement will be reproduced in full in Council's 2017-18 Annual Report.

1. COUNCIL RESOLUTION

MOVED: CR ANNA CHEN
SECONDED: CR PAUL MCLEISH

That Council:

- A. Notes that the Audit and Risk Committee is satisfied that an appropriate external audit process has taken place on the 2017-18 Financial Report and 2017-18 Performance Statement;**
- B. Authorises Councillor Andrew Conlon and Councillor Michelle Kleinert to certify the 2017-18 Financial Report and 2017-18 Performance Statement in their final form. In the event that either Councillor Conlon or Kleinert is not available, then any other Manningham Councillor is authorised to certify**

the Statements.

C. Council approves in principle the 2017-18 Financial Report and 2017-18 Performance Statement.

CARRIED

2. BACKGROUND

The *Local Government Act 1989* requires that each year Council prepare a report of its operations and include the audited Financial Report and Performance Statement.

The Financial Report and Performance Statement as presented comply with the Model Financial Report, accounting standards, relevant legislation and departmental guidelines.

The Financial Report provides comprehensive reporting of the revenues and expenses of Council for the 2017-18 financial year and the financial position of Council as at 30 June 2018. The notes accompanying the Financial Statements provide information relevant to Council's accountability obligations and additional information to assist users of the report to form an opinion on the financial performance of Council.

The financial statements present Council in a sound financial position.

Key finance facts:

- \$30.1 million surplus (before asset revaluation increments)
- \$2.2 billion net assets, an increase of \$180 million on 2016-17
- \$149 million asset revaluation increment
- \$68.4 million cash and term deposits
- \$38.3 million capitalised assets
- \$47.2 million total liabilities

An external audit has been carried out by the Victorian Auditor-General's agent (HLB Mann Judd) during August 2018. The Closing Report of the 2017-18 Audit, the 2017-18 Financial Report and 2017-18 Performance Statement were presented to the Audit and Risk Committee on 31 August 2018. The Audit and Risk Committee resolved:

- a) *The Audit Committee is satisfied that an appropriate external audit process has taken place on the proposed 2017-18 Financial Report and 2017-18 Performance Statement; and*
- b) *The Audit Committee's review of the proposed 2017-18 Financial Report and 2017-18 Performance Statement did not identify any issues that would prevent the Council from adopting the 2017-18 Financial Report and 2017-18 Performance Statement.*

3. DISCUSSION / ISSUE

It is proposed that Council adopt “in principle” the 2017-18 Financial Report and 2017-18 Performance Statement.

4. COUNCIL PLAN / STRATEGY

The outcomes contained in the Financial Report will form the starting basis for the 2018/19 review of Council’s 10 Year Long Term Financial Plan. The update of the financial plan is listed as a major initiative in the 2017-2021 Council Plan.

5. IMPACTS AND IMPLICATIONS

The financial statements present Council in a sound financial position and form a positive base for the 2018-19 budget year.

6. IMPLEMENTATION**6.1 Finance / Resource Implications**

The financial forecasts in Council’s long term Financial Plan will be updated to reflect the positive operating result for 2017-18 and financial position of Council as at 30 June 2018.

6.2 Communication and Engagement

The Financial Report and Performance Statement will be published in Council’s 2017-18 Annual Report. Performance indicators from the Performance Statement will also be published on the Know Your Council website.

6.3 Timelines

Following approval in principle by Council, the statutory statements will be submitted to the Auditor-General’s Office for final audit clearance, which should be received prior to final sign off of Council’s Annual Report.

7. DECLARATIONS OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any direct or indirect conflict of interest in this matter.

Attachment 1

MANNINGHAM CITY COUNCIL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2018

DRAFT

MANNINGHAM CITY COUNCIL
Financial Report
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Certification of the Financial Statements

In my opinion, the accompanying financial statements has 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.

Kevin Ayre CPA
Principal Accounting Officer
Date Month Year
Doncaster

In our opinion, the accompanying financial statements present fairly the financial transactions of Manningham City Council for the year ended 30 June 2018 and the financial position of 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 its final form.

Andrew Conlon
Mayor
Date Month Year
Doncaster

Michelle Kleinert
Deputy Mayor
Date Month Year
Doncaster

Jill Colson
Acting Chief Executive Officer
Date Month Year
Doncaster

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**Comprehensive Income Statement
For the Year Ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Income			
General rates	2.1	85,839	82,819
Waste charges	2.1	10,830	10,201
Statutory fees and fines	2.2	4,196	3,572
User fees and charges	2.3	10,744	10,797
Grants - operating	2.4 (a)	12,229	12,366
Grants - capital	2.4 (b)	3,578	3,999
Contributions - monetary	2.5	4,435	6,640
Contributions - non-monetary	2.5	10,331	15,747
Interest income	2.7	1,576	1,629
Other income	2.7	1,235	1,004
Share of gain/(loss) from investment in associate	5.3	(409)	122
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.6	(688)	759
Total income		143,896	149,655
Expenses			
Employee costs	3.1	52,505	51,099
Materials, services and contracts	3.2	20,961	22,115
Depreciation and amortisation	3.3	20,566	19,347
Borrowing costs	3.4	309	309
Community grants and contributions	3.5	5,577	5,471
Utilities	3.5	2,540	2,528
Other expenses	3.5	11,310	10,212
Total expenses		113,768	111,081
Surplus for the year		30,128	38,574
Other comprehensive income			
Item that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	8.1 (a)	149,338	118,540
Total comprehensive result		179,466	157,114

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

Balance Sheet
As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1 (a)	50,600	49,353
Trade and other receivables	4.1 (c)	10,205	8,800
Other financial assets	4.1 (b)	17,800	14,781
Non current assets classified as held for sale	5.1	3,609	-
Other assets	4.2 (a)	1,810	1,622
Total current assets		84,024	74,556
Non-current assets			
Trade and other receivables	4.1 (c)	31	31
Investments in associates	5.3	2,227	2,636
Property, infrastructure, plant, equipment and other fixed assets	5.2	2,175,598	2,004,700
Intangible assets	4.2 (b)	3,176	1,880
Total non-current assets		2,181,032	2,009,247
Total assets		2,265,056	2,083,803
Liabilities			
Current liabilities			
Trade and other payables	4.3 (a)	13,247	14,180
Trust funds and deposits	4.3 (b)	12,294	9,861
Provisions	4.5	12,491	12,172
Income received in advance	4.6	1,005	1,209
Total current liabilities		39,037	37,422
Non-current liabilities			
Provisions	4.5	868	696
Interest bearing liabilities	4.4	7,279	7,279
Total non-current liabilities		8,147	7,975
Total liabilities		47,184	45,397
Net Assets		2,217,872	2,038,406
Equity			
Accumulated surplus		710,040	677,444
Reserves	8.1	1,507,832	1,360,962
Total Equity		2,217,872	2,038,406

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

**Statement of Changes in Equity
For the Year Ended 30 June 2018**

2018	Note	Accumulated surplus \$'000	Asset revaluation reserves \$'000	Other reserves \$'000	Total \$'000
Balance at beginning of the financial year		677,444	1,353,477	7,485	2,038,406
Surplus for the year		30,128	-	-	30,128
Net asset revaluation increment/(decrement)	8.1 (a)	149	149,189	-	149,338
Transfers from other reserves	8.1 (b)	5,965	-	(5,965)	-
Transfers to other reserves	8.1 (b)	(3,646)	-	3,646	-
Balance at end of the financial year		710,040	1,502,666	5,166	2,217,872
Change in equity for the financial year		32,596	149,189	(2,319)	179,466

2017	Note	Accumulated surplus \$'000	Asset revaluation reserves \$'000	Other reserves \$'000	Total \$'000
Balance at beginning of the financial year		639,709	1,236,931	4,652	1,881,292
Surplus for the year		38,574	-	-	38,574
Net asset revaluation increment/(decrement)	8.1 (a)	1,994	116,546	-	118,540
Transfers from other reserves	8.1 (b)	3,081	-	(3,081)	-
Transfers to other reserves	8.1 (b)	(5,914)	-	5,914	-
Balance at end of the financial year		677,444	1,353,477	7,485	2,038,406
Change in equity for the financial year		37,735	116,546	2,833	157,114

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

Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	2018 Inflows/(Outflows) \$'000	2017 Inflows/(Outflows) \$'000
Cash flows from operating activities			
Rates and waste charges		95,475	92,574
Statutory fees, fines and user charges		14,678	15,368
Grants - operating		12,229	12,866
Grants - capital		3,578	3,999
Contributions - monetary		4,476	7,074
Interest received		1,869	1,714
Net increase in trust funds and deposits		2,433	2,185
Other receipts		837	731
Total cash inflows from operating activities		135,575	136,511
Net GST refund/payment		154	(149)
Materials, services and contracts		(44,734)	(43,586)
Other payments		(309)	(309)
Employees costs		(51,995)	(51,064)
Total cash outflows from operating activities		(96,884)	(95,108)
Net cash provided by/(used in) operating activities	8.2	38,691	41,403
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure, and other fixed assets	5.2	(34,924)	(44,432)
Proceeds from disposal of property, infrastructure, plant, equipment and other fixed assets	2.6	780	4,193
Receipts/(payments) for other financial assets		(3,300)	8,719
Net cash provided by/(used in) investing activities		(37,444)	(31,520)
Net increase/(decrease) in cash and cash equivalents		1,247	9,883
Cash and cash equivalents at the beginning of the financial year		49,353	39,470
Cash and cash equivalents at the end of the financial year	4.1 (a)	50,600	49,353
Financing arrangements	4.7		
Restrictions on cash assets	4.1		

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

**Statement of Capital Works
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
Property		
Land	-	1,353
Buildings	15,639	14,647
Total property	<u>15,639</u>	<u>16,000</u>
Plant, machinery and other assets		
Plant, machinery and equipment	2,044	1,633
Fixtures, fittings and furniture	73	22
Computers and telecommunications	360	88
Artworks	20	22
Total plant, machinery and other assets	<u>2,497</u>	<u>1,765</u>
Infrastructure		
Roads	6,645	8,938
Bridges	126	95
Footpaths and cycleways	2,088	2,599
Off street car parks	211	183
Drainage	2,571	5,062
Recreational, leisure and community facilities	2,049	2,699
Parks, open space and streetscapes	2,589	3,369
Waste management	-	5,415
Total infrastructure	<u>16,279</u>	<u>28,360</u>
Intangible assets		
Software	3,874	1,819
Total intangible assets	<u>3,874</u>	<u>1,819</u>
Total capital works expenditure	<u>38,289</u>	<u>47,944</u>
Represented by:		
New asset expenditure	15,784	19,718
Asset renewal expenditure	19,151	23,155
Asset expansion expenditure	822	986
Asset upgrade expenditure	2,532	4,085
Total capital works expenditure	<u>38,289</u>	<u>47,944</u>

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

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Overview

Introduction

The City of Manningham 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 699 Doncaster Road, Doncaster, 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 (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2);
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2); and
- the determination of employee provisions (refer to Note 4.5).

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

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold based on 10% variation to budget on a line item basis, or 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 27 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
General rates	85,444	85,839	395	
Waste charges	10,683	10,830	147	
Statutory fees and fines	3,319	4,196	877	1
User fees and charges	10,021	10,744	723	
Contributions - monetary	4,123	4,435	312	
Contributions - non-monetary	464	10,331	9,867	2
Grants - operating	10,249	12,229	1,980	3
Grants - capital	2,481	3,578	1,097	4
Interest income	1,520	1,576	56	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2,402	(688)	(3,090)	5
Other income	1,001	1,235	234	
Share of gain/(loss) from investment in associate	-	(409)	(409)	6
Total income	<u>131,707</u>	<u>143,896</u>	<u>12,189</u>	
Expenses				
Employee costs	53,079	52,505	574	
Materials, services and contracts	22,070	20,961	1,109	7
Depreciation and amortisation	20,925	20,566	359	
Borrowing costs	309	309	-	
Community grants and contributions	5,629	5,577	52	
Utilities	2,372	2,540	(168)	
Other expenses	9,835	11,310	(1,475)	8
Total expenses	<u>114,219</u>	<u>113,768</u>	<u>451</u>	
Surplus for the year	<u>17,488</u>	<u>30,128</u>	<u>12,640</u>	
Other comprehensive income				
Net asset revaluation increment/(decrement)	34,673	149,338	114,665	9
Total comprehensive result	<u>52,161</u>	<u>179,466</u>	<u>127,305</u>	

variances in brackets = unfavourable

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 1 Performance against budget (cont.)

1.1 Income and expenditure (cont.)

Explanation of material variations Ref.	Item	Explanation
1	Statutory fees and fines	Outcome: Greater than budget \$877,000 or 26.4 % The increase of \$0.88 million is mainly attributable to higher statutory planning permit income which reflects an increase in the statutory fee and permit volumes and increased asset protection permit income.
2	Contributions - non-monetary	Outcome: Greater than budget \$9,867,000 or 2126.5 % The value of land, road, drains and other assets transferred to Manningham by developers relating to new subdivisions was \$9.87 million higher than budget. The major contributor relates to the completion of Tullamore residential development and renovation of MannaCare accommodation (residential aged care in Manningham).
3	Grants - operating	Outcome: Greater than budget \$1,980,000 or 19.3 % A change in the timing of Financial Assistance Grants and school crossing grants resulted in the bringing forward of \$1.67 million of the 2018/19 grant revenue into the 2017/18 year.
4	Grants - capital	Outcome: Greater than budget \$1,097,000 or 44.2 % During 2017/18 Manningham received grants in advance for works to be undertaken in 2018/19.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Outcome: Less than budget \$3,090,000 or 128.6 % The sale of surplus property at 385-395 Manningham Road, Doncaster that was budgeted to be completed in 2017/18 and will now be finalised in 2018/19.
6	Share of gain/(loss) from investment in associate	Outcome: Less than budget \$409,000 or 100 % Council has a 31.56% equity interest in the Whitehorse Manningham Regional Library Corporation (WMRL). During the year Manningham's share of the WMRL reduced in value by \$0.41 million.
7	Materials, services and contracts	Outcome: Less than budget \$1,109,000 or 5 % Expenditure on materials, services and contracts was \$1.11 million or 5.0% less than budget and include contractor savings in waste collection \$0.25 million and land management \$0.30 million and reduced fleet costs of \$0.13 million.
8	Other expenses	Outcome: Greater than budget \$1,475,000 or 15 % Other expenses include a wide range of costs incurred in delivering Council services and include software licences, legal expenses, insurances, leased computer costs, postage, telephones, bank charges and other day to day expenses. Savings of \$0.30 million was achieved in these operational expenses and offset by expenditure of \$1.77 million funded through the capital works program that has been classified as non capital and transferred to other expenses.
9	Net asset revaluation increment/(decrement)	Outcome: Greater than budget \$114,665,000 or 330.7 % The 2017/18 revaluation of property and infrastructure assets resulted in an increase in asset values by \$149.34 million. Land assets were the main contributor increasing in value by \$137.35 million or 11% during the year, reflecting continued growth in property values in Manningham.

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land	-	-	-	
Buildings	15,677	15,639	38	
Total property	15,677	15,639	38	
Plant, machinery and other assets				
Plant, machinery and equipment	2,725	2,044	681	10
Fixtures, fittings and furniture	64	73	(9)	
Computers and telecommunications	1,450	360	1,090	11
Artworks	-	20	(20)	
Total plant, machinery and other assets	4,239	2,497	1,742	
Infrastructure				
Roads	10,119	6,645	3,474	12
Bridges	-	126	(126)	
Footpaths and cycleways	640	2,088	(1,448)	13
Off street car parks	-	211	(211)	
Drainage	2,782	2,571	211	
Recreational, leisure and community facilities	1,064	2,049	(985)	14
Parks, open space and streetscapes	3,958	2,589	1,369	15
Waste management	-	-	-	
Total infrastructure	18,563	16,279	2,284	
Intangible assets				
Software	3,241	3,874	(633)	16
Total intangible assets	3,241	3,874	(633)	
Total capital works expenditure	41,720	38,289	3,431	
Represented by:				
New asset expenditure	16,264	15,784	480	
Asset renewal expenditure	20,987	19,151	1,836	
Asset expansion expenditure	1,102	822	280	
Asset upgrade expenditure	3,367	2,532	835	
Total capital works expenditure	41,720	38,289	3,431	

variances in brackets = unfavourable

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 1 Performance against budget (cont.)

1.2 Capital works (cont.)

Explanation of material variations		Explanation
Ref.	Item	
10	Plant, machinery and equipment	<p>Outcome: Less than budget \$681,000 or 25 %</p> <p>The programmed replacement of Council's vehicles and mobile plant was less than budget and attributed to a reduction in the number of vehicles replaced.</p>
11	Computers and telecommunications	<p>Outcome: Less than budget \$1,090,000 or 75.2 %</p> <p>Capital expenditure on the customer relationship management system was \$1.19 million less than budget. This project is listed for completion as a part of the 2018/19 capital program.</p>
12	Roads	<p>Outcome: Less than budget \$3,474,000 or 34.3 %</p> <p>Capital expenditure on roads was less than budget by \$3.47 million. This relates to:</p> <p>a) reclassification of \$1.54 million of roads capital expenditure into footpath (\$1.20 million), bridge (\$0.13 million) and off street car park (\$0.21 million) asset classes in the year end capitalisation process; and</p> <p>b) King Street reconstruction, Jumping Creek Road upgrade, Oban Road upgrade and Local Area Traffic Management upgrades planned for completion in 2017/18 will be completed in 2018/19.</p>
13	Footpaths and cycleways	<p>Outcome: Greater than budget \$1,448,000 or 226.3 %</p> <p>Manningham spent \$0.25 million more than budget expanding new footpaths as part of the Principle Pathways Network program.</p> <p>Capital expenditure of \$1.83 million associated with bicycle paths and footpath upgrades was reclassified from the roads and open space asset classes to the footpath and cycleway asset class.</p>
14	Recreational, leisure and community facilities	<p>Outcome: Greater than budget \$985,000 or 92.6 %</p> <p>During 2017/18 the Doncaster Hockey Club pitch was replaced at a cost of \$0.29 million. This project was unbudgeted and fully funded through external contributions.</p> <p>Capital expenditure on Mullum Mullum Linear Park (stage 1), upgrades at Zerbes Reserve, construction of cricket nets at Ted Ajani Reserve and improvements at the Park Orchards BMX facility also contributed to the variance.</p>
15	Parks, open space and streetscapes	<p>Outcome: Less than budget \$1,369,000 or 34.6 %</p> <p>Capital expenditure of \$0.78 million relating to streetscape and street trees has been classified as non capital and transferred as an expense on the Income Statement. Delays were experienced on the Lawford Reserve redevelopment and flood lighting improvement projects and expenditure on fencing was also less than budget.</p>
16	Software	<p>Outcome: Greater than budget \$633,000 or 19.5 %</p> <p>During 2017/18 Manningham continued to invest in information technology to improve customer service and the efficiency of operations. Key projects included the customer contact centre (phase 2), asset management and project management systems and a new telephony system.</p>

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
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	2018 \$'000	2017 \$'000
Note 2 Funding for the delivery of our services		
2.1 Rates and charges		
The 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 land value and the value of improvements such as buildings and other improvements.		
The CIV used to calculate general rates for 2017/18 was \$47,607 million (2016/17, \$46,915 million). The 2017/18 rate in the CIV dollar was 0.00177276 (2016/17, 0.001738).		
General rates	84,374	81,518
Supplementary rates	1,029	910
Recreational land	31	30
Interest on rates and charges	405	361
	85,839	82,819
Waste charges	10,830	10,201
	10,830	10,201
Total rates and charges	96,669	93,020
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation first applied to the rating period commencing 1 July 2016.		
Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.		
2.2 Statutory fees and fines		
Infringements and costs	1,760	1,701
Town planning fees	1,743	1,322
Land and property information certificates	328	316
Asset protection and other permits	365	233
Total statutory fees and fines	4,196	3,572
Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, or Council has otherwise earned the income.		

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
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	2018 \$'000	2017 \$'000
Note 2 Funding for the delivery of our services (cont.)		
2.3 User fees and charges		
Hall hire and function centre charges	1,860	1,871
Social and community services charges	744	722
Town planning fees (non-statutory)	673	533
Aged services fees	822	843
Registration fees	1,203	1,301
Advertising fees	409	575
Culture and recreation fees	352	269
Chargeable works fees	1,057	828
Rent and lease charges	1,920	1,823
Other fees and charges	1,704	2,032
Total user fees and charges	10,744	10,797
User fees, charges 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.		
2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	9,853	10,963
State funded grants	4,453	4,037
Others	1,502	1,365
Total grants	15,808	16,365
(a) Operating grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	2,598	3,638
Aged services	5,703	5,286
Other	-	7
Recurrent - State Government		
Aged services	1,648	1,247
Immunisation	130	129
Maternal and child health, and immunisation	717	676
Social and community	679	647
School crossing supervisors	527	164
Community safety	19	-
Other	40	355
Total recurrent operating grants	12,061	12,149
Non-recurrent - Commonwealth Government		
Non-recurrent - State Government		
Aged services	-	37
Economic and environment	10	55
Other	107	57
Non-recurrent - Others		
Aged services	-	2
Economic and environment	-	12
Social and community	7	-
Other	44	54
Total non-recurrent operating grants	168	217
Total operating grants	12,229	12,366

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 2 Funding for the delivery of our services (cont.)		
2.4 Grants (cont.)		
(b) Capital grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - local roads	810	1,175
Roads to Recovery	742	857
Total recurrent capital grants	1,552	2,032
Non-recurrent - State Government		
Aquarena masterplan implementation	-	73
Economic and environment	74	103
Recreation	309	465
Social and community	192	-
Transport	-	29
Non-recurrent - Others		
Aquarena masterplan implementation	-	225
Drainage	208	375
Economic and environment	21	42
Recreation	727	535
Social and community	68	23
Sportsground refurbishment	301	-
Transport	-	97
Other	126	-
Total non-recurrent capital grants	2,026	1,967
Total capital grants	3,578	3,999
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	2,111	2,339
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Financial Assistance Grants	1,309	1,241
Financial Assistance Grants - local roads	413	401
Roads to Recovery	375	-
Aged services	-	35
Economic and environment	-	34
Recreation	759	330
Social and community	139	24
Maternal and child health	43	-
School crossing supervisors	290	-
Other	86	46
	3,414	2,111

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 2 Funding for the delivery of our services (cont.)		
2.4 Grants (cont.)		
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Financial Assistance Grants	1,241	-
Financial Assistance Grants - local roads	401	-
Aged services	-	29
Community safety	-	6
Economic and environment	34	20
Maternal and child health	-	38
Recreation	420	1,342
Social and community	16	49
Sportsground refurbishment	-	34
Other	46	821
	<u>2,158</u>	<u>2,339</u>
Balance at year end	<u>3,367</u>	<u>2,111</u>
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.		
2.5 Contributions		
Monetary	4,435	6,640
Non-Monetary	10,331	15,747
Total contributions	<u>14,766</u>	<u>22,387</u>
Monetary		
Resort and recreation contributions	3,646	5,914
Doncaster hill activity centre contributions	789	693
Other contributions	-	33
Total monetary contributions	<u>4,435</u>	<u>6,640</u>
Non-Monetary		
Developer contributed assets	10,331	15,747
Total non-monetary contributions	<u>10,331</u>	<u>15,747</u>
Contributions of non monetary assets were received in relation to the following asset classes:		
Land	4,723	7,100
Land under roads	1,649	96
Buildings	3,628	-
Infrastructure	331	8,551
Total non-monetary contributions	<u>10,331</u>	<u>15,747</u>
Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.		
2.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds from disposal	780	4,193
Written down value of assets disposed	(232)	(2,637)
Written down value of assets scrapped	(1,236)	(797)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(688)</u>	<u>759</u>
The profit or loss on disposal of an asset is determined when control of the asset has passed to the buyer.		

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 2 Funding for the delivery of our services (cont.)		
2.7 Other income		
Interest on investments	1,576	1,629
Other	1,235	1,004
Total other income	2,811	2,633
Interest is recognised progressively as it is earned.		
Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.		
Note 3 The cost of delivering services		
3.1 Employee costs		
(a) Wages and salaries	42,388	41,975
Casual staff	3,369	2,862
Salary oncost *	6,336	5,658
Other employee costs	412	604
Total employee costs	52,505	51,099
<i>Engineering design work and capital project supervision completed by employees to the value of \$1.286 million (\$1.711 million 2016/17) is reported in the Statement of Capital Works, and is not included in employee costs.</i>		
* Salary oncost includes annual leave and long service leave provision, Workcover and superannuation costs.		
(b) Superannuation		
Manningham City Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	281	326
Employer contributions - other funds	-	-
	281	326
Employer contributions payable as at 30 June	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,373	2,422
Employer contributions - other funds	1,356	1,065
	3,729	3,487
Employer contributions payable as at 30 June	-	-
Refer to note 8.3 for further information relating to Council's superannuation obligations.		

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 3 The cost of delivering services (cont.)		
3.2 Materials, services and contracts		
Materials and services	4,504	5,691
Fleet costs	585	555
Contracts and services - community building repairs and maintenance	1,381	1,459
Contracts and services - parks, gardens, sporting reserves and street trees	3,606	3,684
Contracts and services - drains, roads and footpaths	1,456	1,449
Contracts and services - waste collection and disposal services	9,429	9,277
Total materials, services and contracts	20,961	22,115
3.3 Depreciation and amortisation		
Property	3,603	3,515
Plant, machinery and other assets	1,610	1,563
Infrastructure	14,626	13,656
Total depreciation	19,839	18,734
Intangible assets	727	613
Total depreciation and amortisation	20,566	19,347
<i>Refer to note 4.2(b) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
3.4 Borrowing costs		
Interest - borrowings	309	309
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	309	309

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

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

		2018	2017
		\$'000	\$'000
Note 3	The cost of delivering services (cont.)		
3.5	Other expenses		
	Community grants and contributions		
	Community grants	1,894	1,881
	Library contributions	3,683	3,590
	Total community grants and contributions	5,577	5,471
	Utilities		
	Utilities, rent, and cleaning	1,768	1,549
	Street lighting	772	979
	Total utilities	2,540	2,528
	Other miscellaneous expenses		
	Auditor's remuneration - VAGO - annual financial statement and grant acquittals	77	65
	Auditor's remuneration - other parties	26	25
	Auditor's remuneration - Internal audit	57	75
	Councillors' allowances	304	275
	Fire service levy	137	140
	Insurance	572	566
	Leases	442	349
	Consultants - engineering	469	259
	Consultants - human resources	154	147
	Consultants - economic and environmental	422	440
	Consultants - other	551	720
	Bank charges	306	309
	Catering (including function centre)	660	669
	Legal	657	795
	Software licences	1,651	1,713
	Telephone	638	407
	Postage	336	343
	Printing	295	193
	Training	323	288
	Design fees and maintenance - non capital	1,773	964
	Other	1,460	1,470
	Total other miscellaneous expenses	11,310	10,212
	Total other expenses	19,427	18,211

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 4 Our financial position		
4.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	8	8
Cash at bank	1,092	845
Term deposits (with term up to 3 months) and at-call with banks	49,500	48,500
Total cash and cash equivalents	50,600	49,353
(b) Other financial assets		
Term deposits - current	17,300	14,281
Term deposit - refundable Manningham Centre Association bond	500	500
Total other financial assets	17,800	14,781
Total financial assets	68,400	64,134
Restrictions on cash assets		
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 4.3(b))	12,294	9,861
- Reserve funds (note 8.1(b))	4,970	7,289
- Waste initiative funds*	10,016	9,701
Total restricted funds	27,280	26,851
Total unrestricted cash and cash equivalents	23,320	22,502
* The Waste initiative fund is the value of waste charges collected under s162 of the Local Government Act, and is to be applied to fund future waste collection and disposal activities.		
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund future capital works	2,852	6,921
- Loan repayment*	2,912	2,184
- Family day care workcover	196	196
- Superannuation defined benefit potential future call	2,500	200
- Asset sales to fund future capital works program	2,157	1,800
- Grants received in advance	3,367	2,111
Total funds subject to intended allocations	13,984	13,412
* Council has a \$7.279 million interest only loan which is due for settlement in November 2019 (refer note 4.4). This intended allocation represents cash set aside by Council to fund future principal repayments.		
Cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with maturities of three months or less from the date of acquisition, net of outstanding bank overdrafts.		
Council invests funds in accordance with the power of investment under section 143 of the Local Government Act 1989.		
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.		

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 4 Our financial position (cont.)		
4.1 Financial assets (cont.)		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	5,897	4,703
Infringement debtors	837	595
Special rate schemes	134	196
Net GST receivable	953	1,107
<i>Non statutory receivables</i>		
Other debtors	2,429	2,342
Provision for doubtful debts - other debtors	(45)	(143)
Total current trade and other receivables	<u>10,205</u>	<u>8,800</u>
Non-current		
<i>Statutory receivables</i>		
Infringement court	794	785
Provision for doubtful debts - infringement court	(794)	(785)
<i>Non statutory receivables</i>		
Other receivables	31	31
Total non-current trade and other receivables	<u>31</u>	<u>31</u>
Total trade and other receivables	<u>10,236</u>	<u>8,831</u>
Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.		
A provision for doubtful debts is recognised when collection in full is no longer probable. Bad debts are written off when identified.		
i) Ageing of receivables		
At balance date other debtors representing financial assets were past due. The ageing of the Council's other debtors (excluding statutory receivables) was:		
Up to 3 months	1,753	1,522
3 to 6 months	207	266
Over 6 months	469	554
Total trade and other receivables	<u>2,429</u>	<u>2,342</u>
ii) Movement in provisions for doubtful debts - other debtors		
Balance at the beginning of the year	143	10
New Provisions recognised during the year	43	142
Amounts already provided for and written off as uncollectible	(90)	-
Amounts provided for but recovered during the year	(51)	(9)
Balance at end of year	<u>45</u>	<u>143</u>

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 4 Our financial position (cont.)		
4.2 Non-Financial assets		
(a) Other assets		
Accrued income - interest	92	104
Accrued income - other	880	830
Prepayments	739	590
Others	99	98
Total other assets	1,810	1,622
(b) Intangible assets		
Software	3,176	1,880
Total intangible assets	3,176	1,880
Gross carrying amount		
Balance at 1 July	9,529	8,855
Additions from internal developments	1,085	558
Transfer from work in progress	938	116
Balance at 30 June	11,552	9,529
Accumulated amortisation		
Balance at 1 July	(7,649)	(7,036)
Amortisation expense	(727)	(613)
Balance at 30 June	(8,376)	(7,649)
Net book value at 30 June	3,176	1,880

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 4 Our financial position (cont.)		
4.3 Payables		
(a) Trade and other payables		
Trade payables	380	1,743
Employee benefits and related costs	1,629	1,579
Accrued expenses	11,238	10,858
Total trade and other payables	13,247	14,180
(b) Trust funds and deposits		
Contract retention	1,250	1,151
Landscape bonds	5,620	4,406
Miscellaneous works deposits	191	185
Asset protection bonds	4,260	3,138
Subdivider deposits	163	163
Refundable Manningham Centre Association bond	500	500
Fire services levy	57	66
Other refundable deposits	253	252
Total trust funds and deposits	12,294	9,861

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

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to 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.

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
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	2018 \$'000	2017 \$'000
Note 4 Our financial position (cont.)		
4.4 Interest bearing liabilities		
Non-Current		
Borrowings - secured	7,279	7,279
Total non-current interest-bearing loans and borrowings	<u>7,279</u>	<u>7,279</u>
The maturity profile for Council's borrowings is:		
Not later than one year	-	-
Later than one year and not later than five years	7,279	7,279
Later than five years	-	-
	<u>7,279</u>	<u>7,279</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Non-current	7,279	7,279
	<u>7,279</u>	<u>7,279</u>
Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.		
The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.		

4.5 Provisions

	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
2018			
Balance at beginning of the financial year	4,370	8,498	12,868
Amounts used	(2,844)	(1,158)	(4,002)
Additional provisions	2,911	1,582	4,493
Balance at the end of the financial year	<u>4,437</u>	<u>8,922</u>	<u>13,359</u>
2017			
Balance at beginning of the financial year	4,218	8,893	13,111
Amounts used	(3,252)	(1,958)	(5,210)
Additional provisions	3,404	1,563	4,967
Balance at the end of the financial year	<u>4,370</u>	<u>8,498</u>	<u>12,868</u>

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 4 Our financial position (cont.)		
Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,951	2,910
Long services leave	671	732
	<u>3,622</u>	<u>3,642</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,486	1,460
Long services leave	7,383	7,070
	<u>8,869</u>	<u>8,530</u>
Total current employee provisions	<u>12,491</u>	<u>12,172</u>
Non-current		
Long service leave	868	696
Total non-current employee provisions	<u>868</u>	<u>696</u>
Aggregate carrying amount of employee provisions:		
Current	12,491	12,172
Non-current	868	696
Total aggregate carrying amount of employee provisions	<u>13,359</u>	<u>12,868</u>
<i>Wages and salaries and annual leave</i>		
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.		
Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.		
<i>Long service leave</i>		
Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.		
4.6 Income received in advance		
Rent	526	502
Rates	479	451
Others	-	256
Total income received in advance	<u>1,005</u>	<u>1,209</u>
4.7 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June.		
Bank overdraft	1,000	1,000
Total facilities	<u>1,000</u>	<u>1,000</u>
Used facilities	-	-
Unused facilities	<u>1,000</u>	<u>1,000</u>

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 4 Our financial position (cont.)

4.8 Commitments

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

2018	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not	years	
	\$'000	later than 2	later than 5	\$'000	\$'000
		years	years		
Operating					
Garbage collection	4,450	4,654	15,290	-	24,394
Meals for delivery	232	238	748	-	1,218
Hard and green waste collection	806	866	3,017	-	4,689
Property valuation	-	-	-	-	-
Total	5,488	5,758	19,055	-	30,301
Capital					
Roads	3,949	-	-	-	3,949
Drainage	938	-	-	-	938
Other - recreation and open space	1,749	-	-	-	1,749
Buildings	5,110	-	-	-	5,110
Plant and equipment	1,153	-	-	-	1,153
Total	12,899	-	-	-	12,899

2017	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not	years	
	\$'000	later than 2	later than 5	\$'000	\$'000
		years	years		
Operating					
Garbage collection	4,306	4,504	14,797	-	23,607
Meals for delivery	255	261	803	-	1,319
Hard and green waste collection	767	825	2,872	-	4,464
Property valuation	190	-	410	-	600
Total	5,518	5,590	18,882	-	29,990
Capital					
Roads	4,011	-	-	-	4,011
Drainage	457	-	-	-	457
Other - recreation & open space	7,065	-	-	-	7,065
Buildings	12,030	-	-	-	12,030
Plant and equipment	1,053	-	-	-	1,053
Total	24,616	-	-	-	24,616

Notes to the Financial Report
For the Year Ended 30 June 2018

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	2018 \$'000	2017 \$'000
Note 4 Our financial position (cont.)		
4.8 Commitments (cont.)		
Operating lease commitments		
At the reporting date, 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	1,200	807
Later than one year and not later than five years	2,310	2,512
Later than five years	2,076	2,060
	5,586	5,379
Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.		
Note 5 Assets we manage		
5.1 Non current assets classified as held for sale		
Land at carrying value	3,609	-
Total non current assets classified as held for sale	3,609	-
Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.		

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For the Year Ended 30 June 2018

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Note 5 Assets we manage

5.2 Property, infrastructure, plant, equipment and other fixed assets

Summary of property, infrastructure, plant, equipment and other fixed assets

	At Fair Value 1 July 2017	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Write Offs	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,232,265	-	6,372	137,354	-	(42)	(3,609)	-	1,372,340
Buildings	186,015	14,456	3,628	1,976	(3,603)	(514)	13,624	-	215,582
Plant, equipment and other fixed assets	9,465	2,396	-	-	(1,610)	(189)	375	-	10,437
Infrastructure	552,665	12,543	331	10,008	(14,626)	(723)	3,497	-	563,695
Work in progress	24,290	7,809	-	-	-	-	(18,437)	(118)	13,544
	2,004,700	37,204	10,331	149,338	(19,839)	(1,468)	(4,550)	(118)	2,175,598

Summary of work in progress

	Opening WIP 1 July 2017	Additions	Transfers	Write Offs	Closing WIP 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	13,681	1,183	(13,681)	-	1,183
Plant, equipment and other fixed assets	1,757	2,891	(1,314)	-	3,334
Infrastructure	8,852	3,735	(3,442)	(118)	9,027
	24,290	7,809	(18,437)	(118)	13,544

Notes to the Financial Report
For the Year Ended 30 June 2018

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Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant, equipment and other fixed assets (cont.)

Asset recognition thresholds and depreciation periods

Asset class	Depreciation Period	Threshold limit \$'000
Property		
Land	Infinite life	0
Land under roads	Infinite life	0
Buildings	75 - 100 years	5
Buildings on leased land	Term of lease or 75 years	
Plant, equipment and other assets		
Plant, machinery and equipment	5 - 25 years	1
Fixtures, fittings and furniture	4 - 20 years	1
Computers and telecommunications	4 - 10 years	1
Artworks	Not depreciated	1
Infrastructure		
Road - pavement	30 years	10
Road - sub-pavement	120 years	10
Bridges	60 - 100 years	10
Footpaths and cycleways	60 - 100 years	10
Carparks	60 - 100 years	10
Drainage	120 years	10
Recreational, leisure and community facilities	20 years	10
Parks, open space and streetscapes	20 years	10
Waste garbage bins	20 years	0
Intangible assets		
Software	5 years	1

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For the Year Ended 30 June 2018

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Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant, equipment and other fixed assets (cont.)

Property	Land	Land under roads	Total Land	Total Buildings	Total Property	Work in Progress
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	1,231,495	770	1,232,265	316,021	1,548,286	13,681
Accumulated depreciation at 1 July 2017	-	-	-	(130,006)	(130,006)	-
	1,231,495	770	1,232,265	186,015	1,418,280	13,681
Movements in fair value						
Acquisition of assets at fair value	-	-	-	14,456	14,456	1,183
Contributed assets	4,723	1,649	6,372	3,628	10,000	-
Revaluation increments/decrements	137,354	-	137,354	14,561	151,915	-
Fair value of assets disposed	(42)	-	(42)	(575)	(617)	-
Transfers	(3,609)	-	(3,609)	13,624	10,015	(13,681)
	138,426	1,649	140,075	45,694	185,769	(12,498)
Movements in accumulated depreciation						
Depreciation and amortisation	-	-	-	(3,603)	(3,603)	-
Accumulated depreciation of disposals	-	-	-	61	61	-
Revaluation increments/decrements	-	-	-	(12,585)	(12,585)	-
	-	-	-	(16,127)	(16,127)	-
At fair value 30 June 2018	1,369,921	2,419	1,372,340	361,715	1,734,055	1,183
Accumulated depreciation at 30 June 2018	-	-	-	(146,133)	(146,133)	-
	1,369,921	2,419	1,372,340	215,582	1,587,922	1,183

Notes to the Financial Report
For the Year Ended 30 June 2018

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Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant, equipment and other fixed assets (cont.)

Plant, equipment and other fixed assets	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecom- munications	Artworks	Total plant, equipment and other assets	Work in Progress
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	12,204	9,356	3,144	1,925	26,629	1,757
Accumulated depreciation at 1 July 2017	(6,792)	(7,848)	(2,524)	-	(17,164)	-
	5,412	1,508	620	1,925	9,465	1,757
Movements in fair value						
Acquisition of assets at fair value	1,943	73	360	20	2,396	2,891
Contributed assets	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-	-
Fair value of assets disposed	(1,621)	(107)	-	-	(1,728)	-
Transfers	323	-	52	-	375	(1,314)
	645	(34)	412	20	1,043	1,577
Movements in accumulated depreciation						
Depreciation and amortisation	(1,137)	(247)	(226)	-	(1,610)	-
Accumulated depreciation of disposals	1,432	107	-	-	1,539	-
Revaluation increments/decrements	-	-	-	-	-	-
	295	(140)	(226)	-	(71)	-
At fair value 30 June 2018	12,849	9,322	3,556	1,945	27,672	3,334
Accumulated depreciation at 30 June 2018	(6,497)	(7,988)	(2,750)	-	(17,235)	-
	6,352	1,334	806	1,945	10,437	3,334

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
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Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant, equipment and other fixed assets (cont.)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Off street car parks	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Waste Management	Total Infrastructure	Work in Progress
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	353,619	19,396	109,709	18,043	358,314	22,405	30,708	5,415	917,609	8,852
Accumulated depreciation at 1 July 2017	(170,266)	(5,886)	(49,226)	(7,316)	(113,438)	(6,942)	(11,691)	(179)	(364,944)	-
	183,353	13,510	60,483	10,727	244,876	15,463	19,017	5,236	552,665	8,852
Movements in fair value										
Acquisition of assets at fair value	5,696	125	1,645	211	1,133	2,014	1,719	-	12,543	3,735
Contributed assets	-	-	17	-	314	-	-	-	331	-
Revaluation increments/decrements	4,638	889	90	192	12,687	-	-	-	18,496	-
Fair value of assets disposed	(1,136)	-	(576)	-	(76)	-	-	-	(1,788)	-
Transfers	1,665	-	267	10	653	3	899	-	3,497	(3,560)
	10,863	1,014	1,443	413	14,711	2,017	2,618	-	33,079	175
Movements in accumulated depreciation										
Depreciation and amortisation	(7,105)	(323)	(1,154)	(263)	(2,976)	(1,079)	(1,365)	(361)	(14,626)	-
Accumulated depreciation of disposals	682	-	345	-	38	-	-	-	1,065	-
Revaluation increments/decrements	(1,665)	(199)	(1,042)	(70)	(5,512)	-	-	-	(8,488)	-
	(8,088)	(522)	(1,851)	(333)	(8,450)	(1,079)	(1,365)	(361)	(22,049)	-
At fair value 30 June 2018	364,482	20,410	111,152	18,456	373,025	24,422	33,326	5,415	950,688	9,027
Accumulated depreciation at 30 June 2018	(178,354)	(6,408)	(51,077)	(7,649)	(121,888)	(8,021)	(13,056)	(540)	(386,993)	-
	186,128	14,002	60,075	10,807	251,137	16,401	20,270	4,875	563,695	9,027

Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant, equipment and other fixed assets (cont.)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account at cost adjusted for englobo characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. Council does not recognise land under roads that it controlled prior to that period in its financial report.

Depreciation and amortisation

Buildings, infrastructure, plant, equipment, intangible assets, 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.

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.

Artworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Valuation of land and buildings

Valuations were completed as at 30 June 2018 for Council. Valuations for 30 June 2018 are at fair value.

Non-specialised land and non-specialised buildings

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

For non-specialised land and non-specialised buildings, an valuation was performed by Council's Manager Property Services, Mr Graham Brewer FAPI, Certified Practising Valuer (Registration Number 61916) to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2018.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Notes to the Financial Report
For the Year Ended 30 June 2018

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Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant, equipment and other fixed assets (cont.)

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land but adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

The valuation of Council's specialised land and specialised buildings was performed by Council's Manager Property Services, Mr Graham Brewer FAPI, Certified Practising Valuer (Registration Number 61916). The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2018.

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

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Date of Valuation</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	
Land	-	9,887	1,360,034	Jun 2018
Land under roads	-	-	2,419	Jun 2018
Buildings	-	3,043	212,539	Jun 2018
Total	-	12,930	1,574,992	

Valuation of infrastructure assets

Infrastructure assets are valued using the written down replacement cost of each asset. The written down replacement cost is calculated based on the remaining life of the asset, which in turn is determined based on their condition of roads, footpaths, kerb and channel, bridges and drains.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's infrastructure assets was performed by Council's Manager, Engineering and Technical Service, Mr Roger Woodlock *B.Eng (Civil)*. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2018.

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

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

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Date of Valuation</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	
Roads	-	-	186,128	Jun 2018
Bridges	-	-	14,002	Jun 2018
Footpaths and cycleways	-	-	60,075	Jun 2018
Off street car parks	-	-	10,807	Jun 2018
Drainage	-	-	251,137	Jun 2018
Total	-	-	522,149	

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	2018	2017
	\$'000	\$'000
Note 5 Assets we manage (cont.)		
5.3 Investments in associates		
Whitehorse-Manningham Regional Library Corporation		
<i>Background</i>		
Manningham City Council has a 31.56% equity interest in the Whitehorse Manningham Regional Library Corporation (WMRLC) that was incorporated on 21 December 1995. Council has reported its interest in the WMRLC on the basis of equity accounting principles. Manningham City Council's share of the movement in net assets as at 30 June 2018, per draft WMRLC financial statements, has been taken up as loss of \$409,171 during the year ended 30 June 2018 (income of \$121,617 in 2016/17). As neither council has a controlling interest, the participating councils show their contributions towards the operating expenditure of the library as an expense.		
Current assets		
Cash and cash equivalents	2,496	3,917
Trade and other receivables	66	75
Other assets	115	138
	<u>2,677</u>	<u>4,130</u>
Non-current assets		
Property & equipment	6,760	6,456
	<u>6,760</u>	<u>6,456</u>
Total assets	<u>9,437</u>	<u>10,586</u>
Current liabilities		
Payables	730	521
Provisions	1,529	1,510
	<u>2,259</u>	<u>2,031</u>
Non-current liabilities		
Provisions	124	118
	<u>124</u>	<u>118</u>
Total liabilities	<u>2,383</u>	<u>2,149</u>
Net assets	<u>7,054</u>	<u>8,437</u>
<i>Movement in carrying value of investment</i>		
Carrying value of investment at start of year	2,636	2,514
Share of surplus/(deficit) for year	(409)	122
Carrying value of investment at end of year	<u>2,227</u>	<u>2,636</u>

Associates are all entities over which Council has significant influence but not control or joint control. Council's investment in an associate is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entity. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entity. The Council's share of the financial result of the entity is recognised in the Comprehensive Income Statement.

Notes to the Financial Report
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Note 6 People and relationships

6.1 Council and key management remuneration

(a) Related party

Subsidiaries and Associates

Interest in associate - Whitehorse Manningham Regional Library Corporation (WMRLC) (Ref Note 5.3)

During the year Manningham City Council provided contribution to WMRLC with the total value of \$3.72m towards running costs as per the agreement.

Council also provides accommodation to house libraries within Manningham.

(b) Key Management Personnel

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

Councillors

Anna Chen	Councillor	(1 July 2017 - 30 June 2018)
Andrew Conlon	Councillor	(1 July 2017 - 9 November 2017)
	Mayor	(10 November 2017 - 30 June 2018)
Sophy Galbally	Councillor	(1 July 2017 - 30 June 2018)
Geoff Gough	Councillor	(1 July 2017 - 30 June 2018)
Dot Haynes	Councillor	(1 July 2017 - 30 June 2018)
Michelle Kleinert	Mayor	(1 July 2017 - 9 November 2017)
	Councillor	(10 November 2017 - 30 June 2018)
Paul McLeish	Councillor	(1 July 2017 - 30 June 2018)
Paula Piccinini	Councillor	(1 July 2017 - 30 June 2018)
Mike Zafiroopoulos AM	Councillor	(1 July 2017 - 30 June 2018)

Chief Executive Officer

Warwick Winn	Chief Executive Officer	(1 July 2017 - 30 June 2018)
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Other Key Management Personnel

Jill Colson	Executive manager people and governance	(1 July 2017 - 30 June 2018)
Teresa Dominik	Director city planning	(1 July 2017 - 31 December 2017)
Malcolm Foard	Acting director community programs	(24 February 2018 - 29 April 2018)
Juanita Haisman	Manager communications	(1 July 2017 - 30 June 2018)
Leigh Harrison	Director assets and engineering	(1 July 2017 - 30 June 2018)
Keri Kennealy	Acting director community programs	(6 June 2018 - 19 June 2018)
Angelo Kourambas	Director city planning	(19 February 2018 - 30 June 2018)
Phillip Lee	Director shared services	(1 July 2017 - 30 June 2018)
Chris Potter	Director community programs	(1 July 2017 - 23 February 2018)
Lee Robson	Acting director community programs	(30 April 2018 - 5 June 2018)
Vivien Williamson	Acting director city planning	(28 September 2017 to 20 October 2017)

	2018	2017
Total number of Councillors	9	12
Chief Executive Officer and other Key Management Personnel	<u>12</u>	<u>7</u>
Total Key Management Personnel	<u>21</u>	<u>19</u>

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Note 6 People and relationships (cont.)

6.1 Council and key management remuneration (cont.)

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:	\$'000	\$'000
Short-term benefits	2,310	1,944
Long-term benefits	-	-
Termination benefits	226	-
Post employment benefits	-	-
Total	2,536	1,944

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	2018	2017
	No.	No.
Less than \$10,000	-	3
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	7	3
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	1	-
\$120,000 - \$129,999	1	-
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	5	-
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	1
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	1	1
\$320,000 - \$329,999	-	1
\$330,000 - \$339,999	1	-
	21	19

(d) Senior Office Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$145,000.

The number of Senior Officers other than Key Management Personnel, are shown below in their relevant income bands and includes Senior Officers who commenced or retired during the year.

Income Range:	2018	2017
	No.	No.
less than \$145,000	2	12
\$145,000 - \$149,999	5	2
\$150,000 - \$159,999	6	7
\$160,000 - \$169,999	2	8
\$170,000 - \$179,999	6	2
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	3	1
\$220,000 - \$229,999	1	-
	26	33

Total Remuneration, excluding resignation benefits, for the reporting year for Senior Officers included above, amounted to:	\$'000	\$'000
	4,241	4,673

Note 6 People and relationships (cont.)

6.2 Related party disclosure

(a) Transactions with related parties

No transactions other than remuneration payments, or the reimbursement of expenses as approved by Council were made with Related Parties during the reporting year (2016/17, nil).

(b) Outstanding balances with related parties

No balances are outstanding at the end of the reporting period in relation to transactions with related parties (2016/17, nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to Related Parties during the reporting year 2017/18 (2016/17, nil).

(d) Commitments to/from related parties

No commitments have been made by the Council to Related Parties during the reporting year 2017/18 (2016/17, nil).

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Note 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) Contingent assets

Developer contributed assets

Developer contributions to be received in respect of future subdivisions total \$2.075m (2016/17, \$0.369m).

Operating lease receivables

At the reporting date, Council had the following operating leases for the lease of Council owned land and buildings:

These properties held under operating lease have remaining non cancellable lease term of between 1 and 35 years annual rental reviews, either by fixed percentage or CPI annually. Future minimum rentals receivable under non-cancellable operating lease as the end of year are as follow

	2018 \$'000	2017 \$'000
Not later than one year	1,669	1,507
Later than one year and not later than five years	6,911	6,002
Later than five years	10,134	9,246
	18,714	16,755

(b) Contingent liabilities

General

Council controls large areas of public open space, provides general and personal services to residents, visitors and ratepayers, has responsibilities and regulatory authorities including the issue of permits and approvals, and controls significant buildings and infrastructure assets. Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council's Risk Management Plan includes securing insurance to cover insurable risks to limit exposure to liabilities arising from actions of the Council or its Officers where it is appropriate to do so.

Council appointed AON Risk Services Australia Limited in June 2016 for the provider of Insurance Broking Services.

Bank guarantees issues

Council is responsible for the following bank guarantee:

Department of Primary Industries for \$150,000 in connection with Extractive Industry Licence No. 54-1.

Capital funding grant

Council has exposure to contingent liabilities where the conditions attached to a capital funding grant requires repayment in full or part of the granted sum should the terms of the grant agreement not be fulfilled by Council.

Superannuation contribution

Council has obligations under a defined benefit superannuation scheme, matters relating to this potential obligation are outlined in Note 8.3. 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.

Note 7 Managing uncertainties (cont.)**7.2 Change in accounting standards**

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

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

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

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

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

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

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

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

7.3 Financial instruments**(a) Objectives and policies**

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of 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 insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which the council are expose are discussed below.

Note 7 Managing uncertainties (cont.)**7.3 Financial instruments (cont.)****Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities. Interest bearing assets are predominantly short term liquid assets. As at 30 June 2018 Council had long term loans or borrowings and is therefore exposed to interest rate risk on these classes of financial liabilities.

Interest rate risk on financial assets are managed through Council's investment policy which requires the investment of surplus funds only with financial institutions approved under the section 143 of the Local Government Act 1989. The Council's investment policy provides for investment restrictions such as investment placement with authorised deposit taking institutions (ADIs), placement according to Standard and Poor's credit ratings for investment institutions, staging of investment duration, and for the regular monitoring of investment performance and investment institution credit ratings.

(c) Credit risk

Credit risk is the risk of financial loss to Council arising from the non-completion of an obligation under a financial instrument by a party with whom Council has contracted. Council has exposure to credit risk on all financial assets included in the balance sheet. The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of that financial asset.

Council manages credit risk exposure through the application of debtor management policies that include arrangement for the timely collection of debts, escalation of recovery actions, and monitoring of debt collection performance. Council also managed credit risk exposure through the application of security bonds and provisions of the Local Government Act 1989 that permit the classification of certain debts as charges against property.

Financial assets classed as trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. As Council's main debtors are government departments the credit risk associated with the Council's financial assets is assessed as minimal. Where a credit risk is assessed as probable of realisation an allowance for doubtful debts is raised.

Details of credit risk for transactions that are not included in the balance sheet are disclosed in note 7.1, contingent liabilities and contingent assets.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To mitigate liquidity risk the entity has developed long term financial management strategies containing liquidity and cash flow targets, and regularly monitors budget performance and cash flows against forecasts. The entity has established access to overdraft facilities.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the consolidated entity believes a parallel shift of +1% and -2% in market interest rates from year-end rates of 1.50% movements are 'reasonably possible' over the next 12 months.

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.

Note 7 Managing uncertainties (cont.)**7.4 Fair value measurement**

Unless otherwise stated, the carrying amount of financial instruments reflect their 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.

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 the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use 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 5.2, Property, infrastructure, plant, equipment and other fixed assets.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced Council officers or independent experts.

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

Impairment of assets

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

7.5 Events occurring after balance date

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

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 8 Other matters

8.1 Reserves

(a) Asset revaluation reserves

2018	Balance at beginning of reporting year \$'000	Increment/ (decrement) \$'000	Realised Revaluation Reserve \$'000	Balance at end of reporting year \$'000
Property				
Land	1,026,652	137,354	(40)	1,163,966
Buildings	48,444	1,976	(89)	50,331
	1,075,096	139,330	(129)	1,214,297
Plant, equipment and other fixed assets				
Plant, machinery and equipment	39	-	(20)	19
Fixtures, fittings and furniture	1,006	-	-	1,006
Computers and telecommunications	75	-	-	75
Artworks	887	-	-	887
	2,007	-	(20)	1,987
Infrastructure				
Roads	96,986	2,973	-	99,959
Bridges	1,344	690	-	2,034
Footpaths and cycleways	28,896	(952)	-	27,944
Off street car parks	5,169	122	-	5,291
Drainage	143,774	7,175	-	150,949
Parks, open space and streetscapes	205	-	-	205
	276,374	10,008	-	286,382
Total	1,353,477	149,338	(149)	1,502,666
2017	Balance at beginning of reporting year \$'000	Increment/ (decrement) \$'000	Realised Revaluation Reserve \$'000	Balance at end of reporting year \$'000
Property				
Land	950,302	78,194	(1,844)	1,026,652
Buildings	47,769	810	(135)	48,444
	998,071	79,004	(1,979)	1,075,096
Plant, equipment and other fixed assets				
Plant, machinery and equipment	52	-	(13)	39
Fixtures, fittings and furniture	1,008	-	(2)	1,006
Computers and telecommunications	75	-	-	75
Artworks	887	-	-	887
	2,022	-	(15)	2,007
Infrastructure				
Roads	83,432	13,554	-	96,986
Bridges	2,296	(952)	-	1,344
Footpaths and cycleways	29,417	(521)	-	28,896
Off street car parks	5,208	(39)	-	5,169
Drainage	116,280	27,494	-	143,774
Parks, open space and streetscapes	205	-	-	205
	236,838	39,536	-	276,374
Total	1,236,931	118,540	(1,994)	1,353,477

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

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

Note 8 Other matters (cont.)

8.1 Reserves (cont.)

(b) Other reserves

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
2018				
Resort and recreation reserve (a)	7,289	(5,965)	3,646	4,970
Family day care workcover levy reserve (b)	196	-	-	196
Total	7,485	(5,965)	3,646	5,166
2017				
Resort and recreation reserve (a)	4,456	(3,081)	5,914	7,289
Family day care workcover levy reserve (b)	196	-	-	196
Total	4,652	(3,081)	5,914	7,485

(a) The Resort and recreation reserve was established to control contributions received from developers that will, upon completion of developments be utilised to develop recreation and other facilities for residents in the respective development areas.

(b) The Family day care Workcover levy was established to control funds collected from family day care user charges to assist in defraying the cost of future claims for Workcover by family day care providers. Council discontinued this service in 2009/10. The balance of the reserve was transfer back to accumulated surplus, due to no claim for the past 8 years.

Notes to the Financial Report
For the Year Ended 30 June 2018

MANNINGHAM CITY COUNCIL
2017/18 Financial Report

	2018 \$'000	2017 \$'000
Note 8 Other matters (cont.)		
8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the year	30,128	38,574
Depreciation/amortisation	20,566	19,347
Loss on disposal of property, plant and equipment, infrastructure	688	(759)
Contributed assets	(10,331)	(15,747)
Share of gain from associate	409	(122)
Adjustment for work in progress write-off to other expenses	118	73
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,028	2,661
(Increase)/decrease in other assets	93	(178)
Increase/(decrease) in trade and other payables	(4,295)	(2,671)
(Decrease)/increase in other assets and liabilities	(204)	468
(Increase)/decrease in provisions	491	(243)
Net cash provided by operating activities	<u>38,691</u>	<u>41,403</u>

8.3 Superannuation

Manningham City 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 Comprehensive Income Statement when they are made or due.

Accumulation

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

Defined Benefit

Manningham City 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 Manningham City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Manningham City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

As at 30 June 2017, 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 Manningham City Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	6.50% pa
Salary information	3.50% pa
Price inflation (CPI)	2.50% pa

Vision Super has advised that the actual VBI as at 30 June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 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.

Note 8 Other matters (cont.)**8.3 Superannuation (cont.)****Employer contributions****Regular contributions**

On the basis of the results of the 2017 interim actuarial investigation conducted by the Fund's Actuary, Manningham City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/17). This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate. In addition, Manningham City 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, Manningham City Council are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

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

2017 full actuarial investigation surplus amounts

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

- * A VBI surplus of \$69.80 million; and
- * A total service liability surplus of \$193.50 million.
- * A discounted accrued benefits surplus of \$228.80 million.

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

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of the benefits payable in the future but accrued in respect of service to 30 June 2017.

Manningham City Council was notified of the 30 June 2018 VBI during August 2018.

2018 interim actuarial investigation

A interim actuarial investigation is being conducted for the Fund's position as at 30 June 2018 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed in October 2018.

Future superannuation contributions

In addition to the disclosed contributions, Manningham City Council has no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$0.27million.

Manningham City Council

Performance Statement

For the year ended 30 June 2018

Description of municipality

Manningham City Council is located in Melbourne's north-eastern suburbs, commencing with its western boundary in Bulleen, 12 kilometres from the Melbourne CBD and extending to Wonga Park at its eastern extremity, 32 kilometres from the CBD. The City is bounded by the Yarra River, Banyule City and Nillumbik Shire in the north, Yarra Ranges Shire in the east, Koonung Creek, Maroondah City and the Cities of Whitehorse and Boroondara in the south and Banyule City and the Yarra River in the west.

The City encompasses a total land area of 114 square kilometres, including a substantial 17% green open spaces. The nonurban areas include a large tract of the Green Wedge, and are used mainly for rural residential living, conservation and small scale agriculture.

As at 30 June 2018, our estimated population was 124,517 people across the City, including the suburbs of Bulleen, Doncaster, Doncaster East, Donvale, Nunawading (part), Park Orchards, Ringwood North (part), Templestowe, Templestowe Lower, Warrandyte, Warrandyte South and Wonga Park (part).

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*.

Kevin Ayre CPA
Principal Accounting Officer
Date Month Year
Doncaster

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

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

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

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

Andrew Conlon
Mayor
Date Month Year
Doncaster

Michelle Kleinert
Deputy Mayor
Date Month Year
Doncaster

Jill Colson
Acting Chief Executive Officer
Date Month Year
Doncaster

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Other Information

For the year ended 30 June 2018

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 28 June 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the general purpose financial statements. The strategic resource plan can be obtained by contacting Council.

*MANNINGHAM CITY COUNCIL
2017/18 Performance Statement*

Sustainable Capacity Indicators

For the year ended 30 June 2018

Indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$894.74	\$901.22	\$920.18	\$913.67	This result demonstrates Council's continued low cost per head of population when compared to similar councils. It reflects the delivery of services and community facilities in a cost effective way as part of a responsible budget.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$5,943.50	\$5,762.24	\$6,398.78	\$6,379.91	Council is committed to maintaining, renewing and upgrading infrastructure assets, and each year allocates at least 33% of rate revenue to fund the capital works program.
Population density per length of road [Municipal population / Kilometres of local roads]	198	200	202	206	Manningham has a lower population density per km of road than similar councils. This results in the total cost of road maintenance and upgrades being funded from smaller number of ratepayers which contributes to Manningham's annual rate increase.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$859.92	\$914.03	\$918.71	\$910.10	Council's own-source revenue (primarily rates, fees and user charges) per head of population has averaged \$900 over the last 4 years. The small decrease in 2017/18 relates to an increase in the population of Manningham.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$110.00	\$96.72	\$117.47	\$109.33	Manningham receives the minimum grant from the Victoria Grants Commission and relies heavily on rates to meet community service and infrastructure needs.
Disadvantage					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	10	10	10	9	Manningham has a low level of socio-economic disadvantage relative to many councils. Data released from the most recent census indicates that the level of disadvantage has increased in a few areas leading to a reduction in this indicator by 1 decile compared to the last census publication.

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 2018

Indicator/measure	Results			2018	Material Variations
	2015	2016	2017		
Aquatic facilities					
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	3.91	2.93	4.56	5.68	Over the past 4 years our Aquarena aquatic centre has been significantly redeveloped. It is pleasing to see the use of the facility continuing to trend favourably with almost a 25% increase in utilisation over 2016/17.
Animal management					
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions]	24	15	17	6	The number of prosecutions decreased compared to the previous years. Manningham Council pursues prosecutions to ensure responsible pet ownership and community safety and we are pleased to see that prosecutions have decreased substantially.
Food safety					
Health and safety					
Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x 100	92.00%	98.33%	100.00%	99.03%	Council is vigilant in ensuring food premises are followed up after a major or critical non-conformance is detected as demonstrated with the high follow up rate for the 2017 calendar year.
Governance					
Satisfaction					
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	57	58	57	Our community satisfaction with Council decisions remains in a stable band between 57 and 60.
Home and community care					
Participation					
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x 100	23.00%	23.90%	n/a	n/a	Reporting ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme and the Commonwealth Home Support Program.
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100	19.00%	18.10%	n/a	n/a	Reporting ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme and the Commonwealth Home Support Program.
Libraries					
Participation					
Active library members [Number of active library members / Municipal population] x 100	16.00%	16.20%	15.80%	14.90%	There has been a steady decline in the number of active members over the past 4 years. However, this is not an accurate reflection of library usage as members who use other services including internet, Wi-Fi or participate in library programs are not included.
Maternal and child health					
Participation					
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	99.00%	74.60%	76.40%	78.93%	Results continue to show a high standard of participation. This measure only captures participation in the key age and stage appointments (not other services). Whilst Council strives to encourage 100% participation, the service is voluntary.

MANNINGHAM CITY COUNCIL
2017/18 Performance Statement

Indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
Participation					
Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100</i>	92.00%	64.52%	94.59%	85.11%	Data is being managed by the State Government and while most data is accurate there may be some variation in results. Although the result shows a decline from 16/17, more indigenous children participated in the service this year. While Council strives to encourage attendance, the service is voluntary.
Roads					
Satisfaction					
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	68	64	66	64	An independent research company conducts the community satisfaction survey annually on behalf of State Government. Performance on the condition of local sealed roads (64) was marginally lower than our 2016/17 result but within the 64 to 68 band range of the last 4 years. The 2017/18 result is 4 points ahead of the Metropolitan average and 11 points ahead of the State-wide average.
Statutory Planning					
Decision making					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	44.00%	72.73%	70.97%	64.71%	18 of Council's original decisions were set-aside (overturned) by the Tribunal. In 14 of these instances Council negotiated satisfactory outcomes with the applicant and consented to the decision. Only 4, or 8% of VCAT matters were overturned without Council's consent.
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100</i>	54.00%	53.10%	53.96%	54.12%	Following our new bin rollout in 2016/17, we have achieved our highest ever garbage diversion rate, resulting in the lowest ever percentage of material sent to landfill.

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

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Financial Performance Indicators

For the year ended 30 June 2018

Dimension/indicator/measure	Results				Forecast				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level									
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,832	\$1,881	\$1,869	\$1,911	\$2,009	\$2,057	\$2,106	\$2,155	Council has a high reliance on rate revenue from residential properties with 96% of all properties are residential. Council uses rate revenues to maintain and upgrade local roads, buildings, drains, footpaths, playgrounds and sporting facilities. This revenue also funds services including waste management, public health, children, youth, family, aged, planning, building and other community services. The increase from 2016/17 is in line with the State Government rate cap.
Expenditure level									
Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$2,282	\$2,278	\$2,302	\$2,308	\$2,390	\$2,415	\$2,445	\$2,506	Council's continued focus on responsible budgeting while maintaining service levels has resulted in the cost per property being at a very similar level to the last few years.
Workforce turnover									
Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100</i>	8.28%	8.66%	11.78%	9.92%	8.5%	8.5%	8.5%	8.5%	As expected, the workforce turnover ratio reduced in 2017/18. This follows higher than normal workforce turnover in 2016/17 and the first half of 2017/18 due to organisational realignment to improve our ability to deliver services. The plan going forward is to reduce turnover back down to around 8.5%.
Liquidity									
Working capital									
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x 100</i>	206.13%	217.04%	199.23%	214.99%	179.0%	195.2%	207.5%	214.8%	The working capital ratio indicates that Council has \$2.15 worth of current assets for each \$1.00 of current liabilities. This enables Council to meet its commitments as and when they arise without having to borrow funds. The higher ratio in 2017/18 is mainly attributable to a strong operating result together with an increase in current assets relating to the value of land sold in 2017/18 with settlement taking place in 2018/19 financial year. The forward year forecasts indicate that Council is expecting to maintain a strong working capital ratio.
Unrestricted cash									
Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	60.36%	77.04%	63.04%	62.90%	68.2%	81.0%	84.0%	85.2%	The result reflects Council's improving operating performance both in 2018 and the forward forecasts. It is an indicator that Council is forecast to remain in a sustainable financial position over the next four years.

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Dimension/indicator/measure	Results				Forecast			Material Variations	
	2015	2016	2017	2018	2019	2020	2021		2022
Obligations									
Asset renewal									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x 100	71.29%	74.02%	123.60%	96.53%	107.83%	114.87%	117.45%	118.20%	During 2017/18 Council spent \$19.15 million renewing community assets. The drop in 2017/18 relates to capital works planned for completion by 30 June 2018 that will be completed during the 2018/19 financial year. The four year trend is to maintain the asset renewal ratio at or above 100%.
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x 100	8.34%	7.80%	7.83%	7.53%	7.15%	3.43%	3.30%	3.19%	Council has a low level of borrowing relative to rates. Total borrowings as at June 2018 is \$7.28 million. The reduction in the ratio in 2020 relates to the planned loan principal repayments totalling \$3.64 million.
Loans and borrowings									
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	0.34%	0.33%	0.33%	0.32%	0.30%	3.64%	0.14%	0.13%	Council has a low level of borrowing relative to rates. Total borrowings as at 30 June 2018 is \$7.28 million. The ratio increases in 2020 as Council is projecting to repay \$3.64 million of loan principle.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x 100	7.97%	7.50%	7.19%	7.19%	3.29%	3.16%	3.06%	2.97%	Council has a low level of non-current liabilities compare to revenue. This ratio is projected to drop in 2018/19 as Council repays \$3.64 million in loan principle.
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	7.02%	9.69%	11.35%	10.49%	9.44%	11.19%	11.43%	11.13%	Council's strong operating surplus' over the next four years is projected to improve this ratio. A operating surplus is required to ensure a financially sustainable organisation whilst providing relevant and cost effective services and infrastructure to the community.
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x 100	76.53%	78.30%	74.24%	76.06%	78.25%	77.83%	78.52%	78.70%	The result is consistent with the forecast and reflects Manningham's reliance on rates to fund services and infrastructure to our community. Following the State Government's introduction of the rate cap, Council is focusing on developing new revenue sources to fund Council services.
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.25%	0.26%	0.20%	0.20%	0.17%	0.18%	0.18%	0.18%	The result highlights Council's relative low rate burden on its community when compared to property value and is consistent with expected results.

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

The meeting concluded at 6:33pm.

Chairperson
CONFIRMED THIS 25 SEPTEMBER 2018