



LATROBE CITY COUNCIL ANNUAL REPORT 2012/13





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Latrobe City Council is proud to present its Annual Report for 2012/13. The report provides an overview of Council's operational and financial performance, from 1 July 2012 to 30 June 2013, in accordance with the *Local Government Act 1989*.

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This report can be downloaded online at: www.latrobe.vic.gov.au
Hard copies can be viewed at Council's service centres and libraries, see back cover for locations.

LATROBE CITY

at a glance

Latrobe City is recognised as one of Victoria's four major regional centres along with Ballarat, Bendigo and Geelong. Located 150 kilometres east of Melbourne, our city is made up of four central towns; Churchill, Moe/Newborough, Morwell and Traralgon; and smaller rural townships of Boolarra, Glengarry, Toongabbie, Tyers,

Traralgon South, Yallourn North and Yinnar. It is spread over 1,422 square kilometres which is made up of four wards, represented by nine councillors. The nine councillors and 555 (FTE) staff provided a range of services and infrastructure to over 76,000¹ residents during 2012/13.

Key features:

- Population of over 76,000¹
- World's largest brown coal deposits
- Home to over 3,500 businesses
- Choice of kindergartens, primary schools, secondary schools, a university and TAFE
- Comprehensive health and allied health services
- Diverse lifestyle opportunities
- 36 cultural backgrounds
- Outstanding sporting facilities and leisure centres
- First rate cultural facilities and events destination
- Vibrant nightlife, excellent shopping and alfresco dining

POPULATION HIGHLIGHTS	LATROBE	REGIONAL VICTORIA
Median Age ²	39	41
Couples with children ²	26%	27%
Total Overseas born ²	13.7%	10.6%
SEIFA (Index of disadvantage) ²	940	978
Households with a mortgage ²	34%	32%
Median weekly household income ²	\$942	\$945
Median weekly rent ²	\$160	\$190

ECONOMIC HIGHLIGHTS	2011/12	2012/13
Gross Regional Product ³	\$4 billion	\$4.07 billion
Largest employer ³	Retail sector	Health Care and Social Assistance
Largest industries (output and sales) ³	Manufacturing, electricity, gas, water and waste services and construction	Manufacturing, electricity, gas, water and waste services and construction
Tourism output ³	\$146 million	\$150 million
Average annual value of building work ⁴	\$114.7 million	\$128.5 million

Sources:

¹ Essential Economics, Implications of population growth on Victorian Regional Cities, www.regionalcitiesvictoria.com.au

² Profile.id www.id.com.au/profile/latrobe (based on ABS 2011 Census data)

³ REMPLAN Economic Profile - Latrobe City

⁴ Australian Bureau of Statistics, www.abs.gov.au

Image (opposite page):
Central Moe

Image: Township map
of Latrobe City



Vision, Mission & Values

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

The Latrobe 2026 Community Vision

Latrobe 2026 is a long term vision that captures what the community would like the Latrobe Valley to be in 2026. The community vision is:

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

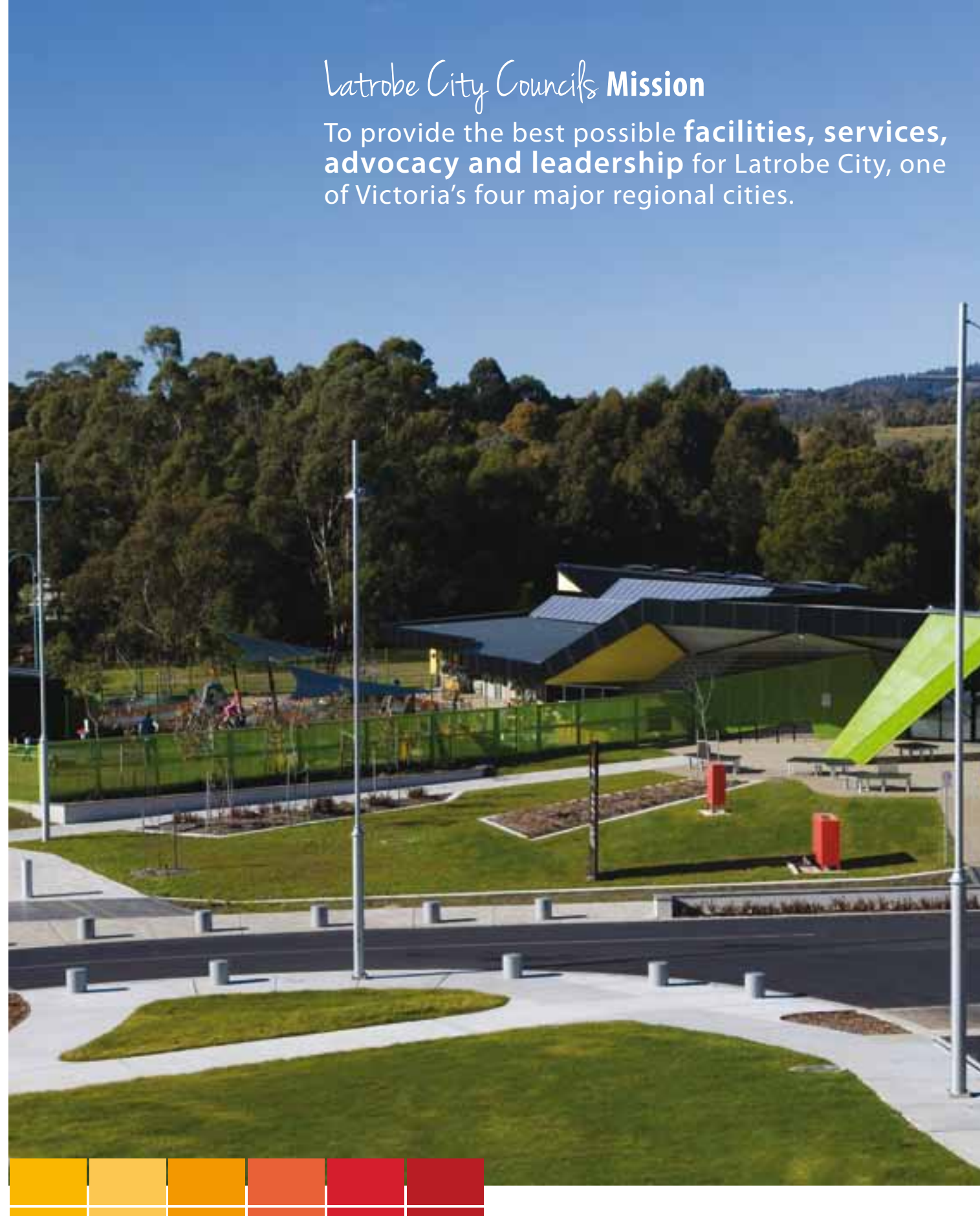
Latrobe City Council's Values

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

*Image (opposite page):
Churchill Community Hub*

Latrobe City Council's Mission

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





Mayor's Reflections

It gives me great pleasure to present to you on behalf of my fellow councillors, Latrobe City Council's Annual Report for 2013/14. It has been another great year for Council with many achievements.

In October 2012 we saw a change at Latrobe City, with a new council made up of committed and community-minded people elected, giving us an opportunity to listen to the community and find ways to work together to achieve great things for the municipality. A key priority was adopting our Council Plan 2013-2017, which will shape the direction and priorities for our community over the next four years.

Latrobe City Council once again delivered a wide range of services that touch people of all ages in our community. Services such as maternal and child health care and aged care; initiatives and events that cross the cultural divide from indigenous employment programs to community arts events; and a range of projects both large scale and small, some designed to improve our connections such as the construction of the new Franklin Street Bridge and others that simply touch our hearts like the replanting of the Aleppo Pine in Victory Park in time for the ANZAC Day services.

This year, Council also produced 'Securing our Future 2013', which represents our immediate asks from the Victorian and Australian Governments. The document lays out clearly the local projects, opportunities and initiatives that, if met, will provide jobs and help our economy to further transition to a low carbon future. Council is proactively seeking support from all levels of government, for projects that will benefit our community long into the future.

As I reflect on the past year, I would like to acknowledge the hard work and commitment of Council and of our organisation's many teams and employees who support our strategic direction and to all the volunteers who unselfishly serve our community. Finally, I would like to thank our community who through their diverse interests help us to strive to make Latrobe City an even better place to live, work and visit.

Cr Sandy Kam
Mayor



Chief Executive Officer's Reflections

As Chief Executive Officer, I am privileged to play a role in making a difference to the Latrobe City community and take great pride in being able to present this year's Annual Report. The past 12 months has been an exciting time with a new Council elected in October 2012 and a new Council Plan 2013-2017 adopted in June 2013 which will guide the direction and priorities of the organisation over the next four years.

I would like to acknowledge the continued effort of our 1,015 employees in providing over one hundred high quality community services across the municipality. Latrobe City Council promotes a culture of performance excellence, with a number of staff recognised for excellence and innovation.

In addition to the day to day services delivered, a large and diverse range of capital works projects were completed which will meet the needs of the community for many years to come. Examples include road, bridge and footpath replacements along with amenity improvements such as the power line relocation and construction of a rest station in Moe and the resurfacing of the Glengarry Tennis and Netball courts.

It can be hard to believe that during the year there have been 75,514 calls received at Council's Service Centres and Libraries; 510 hectares of active and passive reserves maintained; 9 international, 11 national and 17 state events held in Latrobe City; 225,754 visits to Latrobe City Council Libraries; and 15,163 people attending Latrobe City Council's Performing Arts Program.

I also must acknowledge our employees commitment to Organisational Excellence @ Latrobe, an internal objective which supports the organisation to achieve the Council Plan. It highlights the importance of bringing our mission, values and behaviours to life and continuously striving to improve our day to day service delivery.

I am immensely proud of the work that has been undertaken to strengthen our profile as a diverse and liveable key regional city and look forward to the coming year.

Paul Buckley PSM
Chief Executive Officer

Performance Snapshot 2012/13

This snapshot provides highlights, challenges and financial and performance indicators from 2012/13 which reflect the nine objectives of Latrobe 2026 and the Council Plan 2012-2016.



Images (top to bottom):
Victory Park Traralgon,
Churchill Community Hub
Library, Latrobe Leisure
Morwell

Economy	Natural Environment	Built Environment	Our Community
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HIGHLIGHTS

- | | | | |
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| <ul style="list-style-type: none"> Produced Securing our Future 2013, Council's revised Government Investment Opportunities document. Implemented 100% of Latrobe Regional Airport actions for 2012/13. Supported a range of expansion projects by Australian Paper, Lion and GippsAero. 20% increase in Visitor Information Centre customer enquiries. | <ul style="list-style-type: none"> Achieved objectives within the 16 action areas of the Natural Environment Sustainability Strategy. Stage two of the Gippsland Climate Change Impacts and Adaption Project completed. Planted over 8,200 plants to offset emissions from Council's fleet. Collected 64,000 kerbside waste bins each week. | <ul style="list-style-type: none"> Replaced the Traralgon Franklin Street Bridge to reduce flooding impacts and improve pedestrian safety. Adopted a reviewed Road Management Plan. Maintained approximately 1,600 km of roads and associated signage. Audited 109 pool barriers. | <ul style="list-style-type: none"> Traralgon CBD Safety Committee successfully advocated for continuation of the 'night rider' bus service. Coordinated 19 events during Social Inclusion Week. Delivered over 760 Meals on Wheels weekly. Distributed a total of \$435,000 through the community grants program. |
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CHALLENGES

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| <p>The full impacts of a low carbon future on Latrobe City's economy are not yet known. Council will continue to lobby for Commonwealth and State Government support for our community.</p> | <p>Council resolved to discontinue the Climate Change Consultative Committee therefore their Action Plan was not delivered.</p> | <p>Stage 2 and 3 of the Traralgon Activity Centre Plan delayed. Moe Activity Centre Plan funding opportunities delayed.</p> | <p>The Municipal Emergency Coordination Centre and Relief Centres were activated to support communities impacted by the Aberfeldy Fire in January 2013 and floods in June 2013.</p> |
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FINANCIAL AND PERFORMANCE INDICATORS

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| <ul style="list-style-type: none"> Council spent \$4.17 million on the <i>Economy</i> objective. 33% increase in business enquiries received. <p>For more information on <i>Economy</i> refer to page 42.</p> | <ul style="list-style-type: none"> Council spent \$12.42 million on the <i>Natural Environment</i> objective. Assessed 100% of rural roadsides, with 792 km treated for weed infestation. <p>For more information on <i>Natural Environment</i> refer to page 46.</p> | <ul style="list-style-type: none"> Council spent \$33.21 million on the <i>Built Environment</i> objective. Delivered 64% of the Capital Works program. <p>For more on <i>Built Environment</i> refer to page 50.</p> | <ul style="list-style-type: none"> Council spent \$25.95 million on the <i>Our Community</i> objective. 75,514 calls received at Service Centres and Libraries resulted in 41,285 requests for service. <p>For more on <i>Our Community</i> refer to page 56.</p> |
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Culture	Recreation	Governance	Advocacy and Partnerships	Regulation and Accountability
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HIGHLIGHTS

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| <ul style="list-style-type: none"> Adopted an Events Strategy and Action Plan. Latrobe City was home to nine international, 11 national and 17 state events. Visitors to major and minor venues increased by over 22,000. Coordinated the inbound Sports Exchange from Takasago our Sister City in Japan. | <ul style="list-style-type: none"> Reviewed and adopted the Public Open Space Strategy. New playground equipment installed at Andrews Park and Glendonald Park in Churchill and Apex Park in Moe. 20% increase in Hazelwood Traffic School bookings. Maintained 510 hectares of reserves. | <ul style="list-style-type: none"> Local Government Elections held in October 2012. Adopted the Council Plan 2013-2017. Hosted six Citizenship Ceremonies with 45 candidates attending. Completed valuations in preparation for the introduction of the new Fire Service Property Levy. | <ul style="list-style-type: none"> Latrobe City's CEO chaired the Low Carbon Economy Strategy Group, supporting the <i>Gippsland Regional Plan</i>. 19 'Have a Say' pages on Council's website. Published 156 media releases to inform the community. | <ul style="list-style-type: none"> Responded to over 8,000 requests for Local Laws services. All Latrobe City properties were inspected in accordance with the Municipal Fire Prevention Plan. Maintained and made available for public inspection, a range of registers in accordance with the <i>Local Government Act 1989</i>. |
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CHALLENGES

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| <p>The provision of a Performing Arts and Convention Centre for Latrobe City is reliant on State and Federal Government funding.</p> | <p>The Indoor Aquatic Centre in Traralgon was unsuccessful in the round four Regional Development Australia Fund allocations.</p> | <p>Two of Council's nine identified Key Strategic Activities were not achieved during the year.</p> | <p>The draft City Image Strategy has been deferred pending further consideration by Council.</p> | <p>The percentage of impounded animals rehoused or returned to owners decreased.</p> |
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FINANCIAL AND PERFORMANCE INDICATORS

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| <ul style="list-style-type: none"> Council spent \$2.81 million on the <i>Culture</i> objective. Annual Economic benefit from supporting significant events was over \$9.2 million. <p>For more on <i>Culture</i> refer to page 60.</p> | <ul style="list-style-type: none"> Council spent \$15.77 million on the <i>Recreation</i> objective. Increased visits to Latrobe Leisure facilities by over 3,500 visits. <p>For more on <i>Recreation</i> refer to page 64.</p> | <ul style="list-style-type: none"> Council spent \$13.52 million on the <i>Governance</i> objective. Completed 100% of audit committee recommendations. <p>For more on <i>Governance</i> refer to page 68.</p> | <ul style="list-style-type: none"> Council spent \$1.45 million on the <i>Advocacy and Partnerships</i> objective. Attended 100% of Regional Cities Victoria Meetings. <p>For more on <i>Advocacy and Partnerships</i> refer to page 72.</p> | <ul style="list-style-type: none"> Council spent \$3.88 million on the <i>Regulation and Accountability</i> objective. Processed 100% of Freedom of Information requests within statutory timeframes. <p>For more on <i>Regulation and Accountability</i> refer to page 78.</p> |
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further information

For more financial information, see the Financial Report page 102.



Images (L to R): Yinnar Skate Park, Glengarry Tennis and Netball Court resurfacing, Hourigan Road Rehabilitation

CAPITAL WORKS HIGHLIGHTS

During 2012/13 Council delivered a capital budget of almost \$30 million. Highlights for 2012/13 include new and upgraded infrastructure projects, demonstrating our commitment to high quality and well planned built environment outcomes for our community.

☆ During 2012/13 Latrobe City Council:

- Invested \$3,756,267 into the Local Road Reseal Program.
- Invested \$2,432,027 into the Road Rehabilitation Program.
- Invested \$919,633 into the Footpath Replacement Program.
- Invested \$640,249 into the Kerb and Channel Replacement Program.

Power line Relocation and Rest Station – Moe Rail Precinct Revitalisation Project (MRPRP)

2012/13 EXPENDITURE:	\$2,690,890
TOTAL PROJECT COST:	\$2,690,890

Overhead power lines and poles relocated underground in George Street Moe resulting in improved visual amenity and lighting for pedestrian and traffic safety.

Final works including decommissioning of the overhead lines and poles to be finalised in July 2013.

A rest station in George Street Moe was opened during the year which provides unisex and accessible toilets and baby change facilities.

The station incorporates seating and a shelter, benefiting public transport users.

Franklin Street Bridge Replacement, Traralgon

2012/13 EXPENDITURE:	\$1,767,563
TOTAL PROJECT COST:	\$2,167,334

Completed the Traralgon Franklin Street Bridge replacement in early 2013, with a new two span reinforced concrete bridge constructed.

Being one metre higher than the old bridge and the river bed widening works will allow the bridge to remain operational during most flooding events.

Pedestrian and cyclist safety improvements include a secure off road shared path, bollards and LED lighting on the barriers.

Stage one Hourigan Road Rehabilitation

2012/13 EXPENDITURE:	\$1,296,735
TOTAL PROJECT COST:	\$1,301,238

Completed the Hourigan Road east-bound road reconstruction in early 2013, a vital element of the east-west link in Morwell.

Works included in excess of 3,200 m³ of unsuitable material excavated and replaced.

A total road surface area of 4,320 m² was sealed and asphalted with drainage, property connections and kerb and channel upgraded.

Cyclist safety improvements included incorporation of a bicycle lane.

Latrobe Regional Airport – Prototyping Factory

2012/13 EXPENDITURE:	\$1,639,028
TOTAL PROJECT COST:	\$1,836,740

Officially opened in December 2012. Providing extra capacity and opportunities, the factory is expected to assist with job creation, retention and expertise.

The 1,250 m² factory will support GippsAero to conduct prototyping of its GA-18 commercial aircraft, with capacity to develop other aircraft in to the future.

Other complimentary works were also completed including upgrades and repairs to runways, taxiways and a new helipad.

Glengarry Tennis and Netball Court resurfacing

2012/13 EXPENDITURE:	\$379,403
TOTAL PROJECT COST:	\$386,524

Reconstruction of four new tennis courts, two multiuse for netball, were completed.

Upgrades including new lighting, fencing, subgrade, asphalt and drainage assets, and a refurbished park/playground area.

Works will accommodate the growing community and local sporting events.

Funded by State Government, Latrobe City Council and donations from the Glengarry community.

Boolarra Multipurpose Building

2012/13 EXPENDITURE:	\$486,861
TOTAL PROJECT COST:	\$523,850

Renovations and extensions have resulted in a modern and versatile facility to suit a range of community groups.

Versatile meeting spaces and storage rooms, a new kitchen, upgraded fixtures, improved insulation, heating and cooling, and upgraded medical clinic facilities are now provided.

Funded by the Victorian Government and the Victorian Bushfires Appeal Fund following the Delburn and Black Saturday Bushfires in 2009.



EVENTS *Highlights*

Significant Events *in 2012/13*

- 9 international events
- 11 national events
- 17 state events
- over 25 significant community and cultural events

Event Highlights and Economic Impact

The annual economic benefit derived as a result of Latrobe City Council supporting 14 significant events was over \$9.2 million.

Southern University Games 2 – 6 July 2012

- 1,400 competitors from Victoria, South Australia and Tasmania.
- Delivered by Australian University Sport with support from Latrobe City Council.
- Returning after several years and setting a new standard for future Games.

DIRECT SPEND ECONOMIC IMPACT:	\$1,253,650
INDIRECT SPEND ECONOMIC IMPACT:	\$626,825
TOTAL ECONOMIC BENEFIT:	\$1,880,475

2012 FIBA Ocean Pacific Youth Basketball Championships 24 November – 2 December 2012

- 16 teams from 16 Oceania countries and over 200 competitors.
- Held at Latrobe Leisure Churchill, and the athlete's village at Monash University.
- A celebration of culture, knowledge building and relationships.

DIRECT SPEND ECONOMIC IMPACT:	\$698,002
INDIRECT SPEND ECONOMIC IMPACT:	\$349,001
TOTAL ECONOMIC BENEFIT:	\$1,047,003

Images (L to R): Southern University Games Womens Volleyball, FIBA Ocean Pacific Youth Basketball Championships, Southern University Games Cheerleaders

Loy Yang Power
Traralgon International Victorian
Championships

10 - 17 January 2013

- Grade 1 International Tennis Federation tournament is a lead up to the Australian Open.
- Some of the best juniors in the world competing.
- Held at the Traralgon Tennis Complex for the 20th consecutive year.

DIRECT SPEND ECONOMIC IMPACT:	\$1,008,402
INDIRECT SPEND ECONOMIC IMPACT:	\$504,201
TOTAL ECONOMIC BENEFIT:	\$1,512,604

Victorian Country Basketball
Future Stars Championships

6 - 8 April 2013

- Delivered by Latrobe City Council, Traralgon Amateur Basketball Association and Basketball Country Victoria.
- Regional Victoria's best boys and girls (under 12 years) basketball teams competed.
- Three days of competition resulted in four divisional titles awarded.
- Basketball Country Victoria has confirmed the event is returning in 2014.

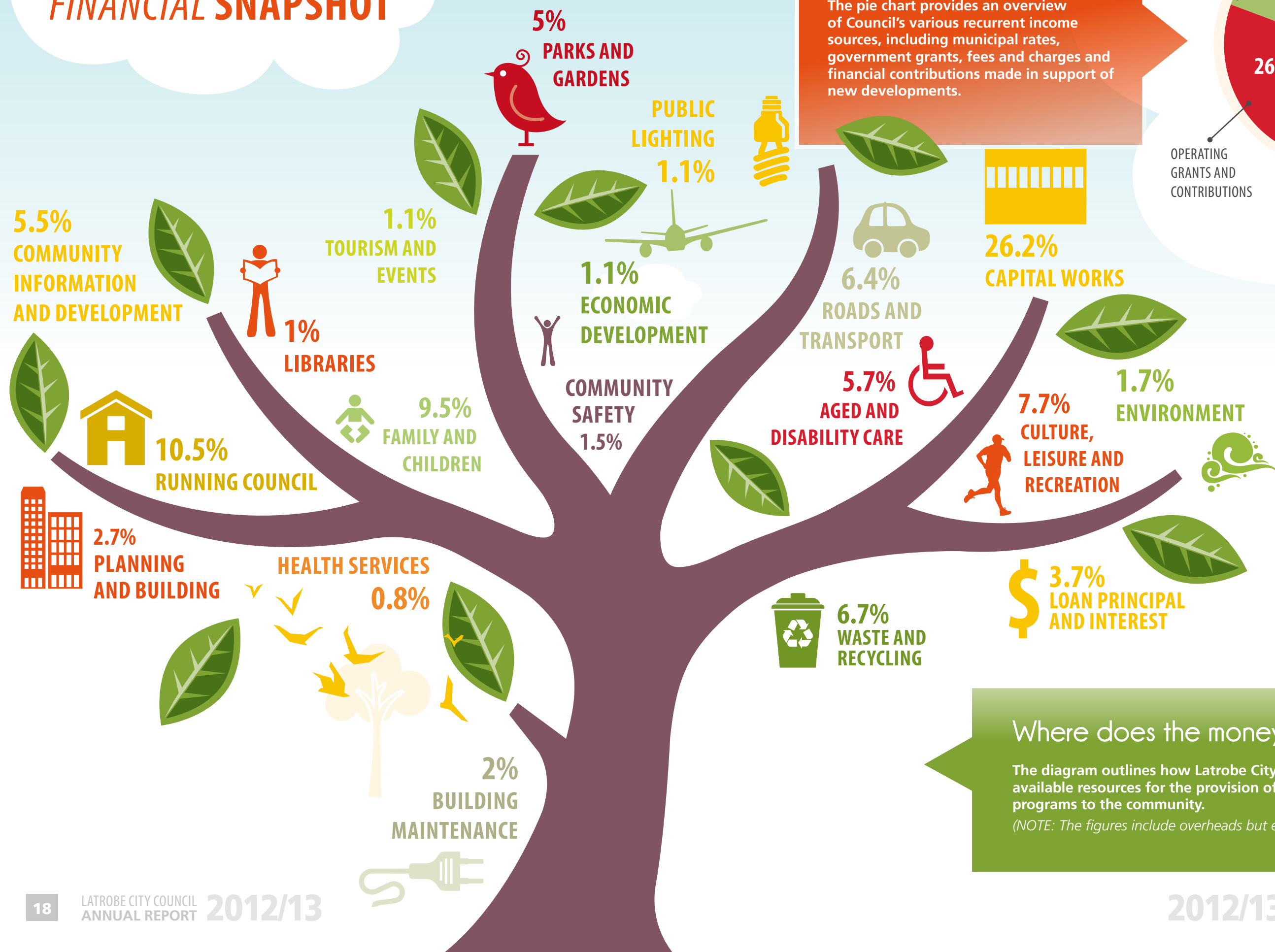
DIRECT SPEND ECONOMIC IMPACT:	\$1,059,261
INDIRECT SPEND ECONOMIC IMPACT:	\$529,630
TOTAL ECONOMIC BENEFIT:	\$1,588,829



Images:

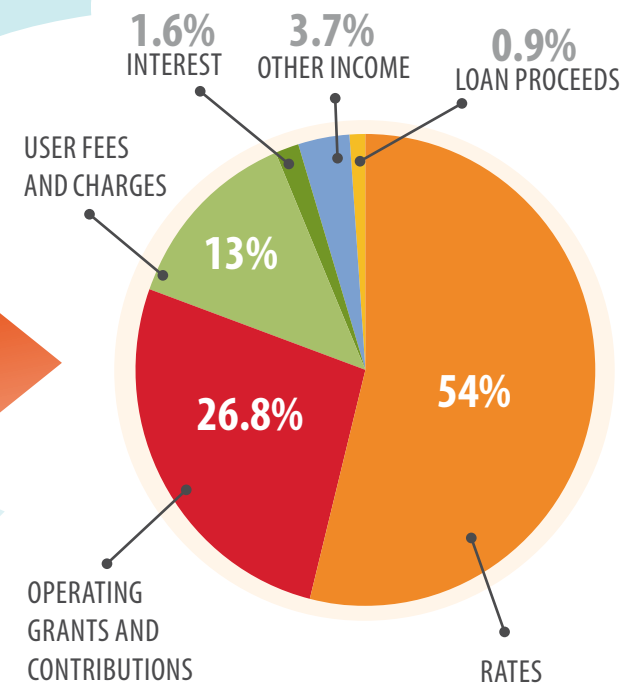
1. Boolarra Folk Festival, March 2013, attendance = 1,900
2. Red Hot Summer Tour, February 2013, attendance = 3,500
3. Australia RAFFA Championships, January 2013, attendance = 374
4. 2012 Sister Cities Festival, October 2013, attendance = 1,500
5. 2012 Tour of Gippsland, August 2012, spectators = 1,300
6. Nitro Circus, March 2013 attendance = 7,500

2012/13 FINANCIAL SNAPSHOT



Where does the money come from?

The pie chart provides an overview of Council's various recurrent income sources, including municipal rates, government grants, fees and charges and financial contributions made in support of new developments.



Where does the money go?

The diagram outlines how Latrobe City Council allocates available resources for the provision of over 100 services and programs to the community.

(NOTE: The figures include overheads but exclude depreciation)

FINANCIAL Position

Latrobe City Council concluded 2012/2013 in a strong financial position. All the key financial indicators demonstrate that Council is being managed in a financially prudent and responsible manner. The financial statements have been audited by the Victorian Auditor-General and endorsed by Council's Audit Committee. Council continues to strive to deliver a high level of value for the community.

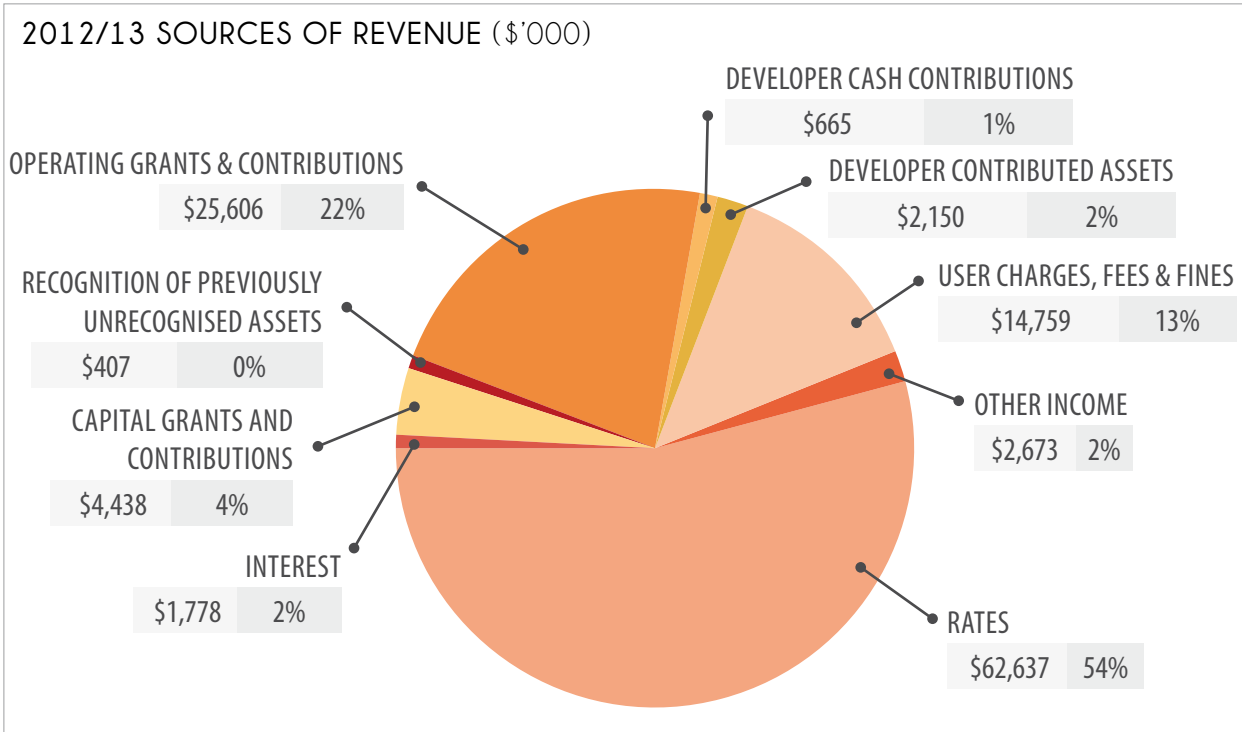
A key financial challenge for Latrobe City Council into the future is to continue to deliver community services and programs whilst balancing the need to invest in infrastructure to ensure Latrobe City remains a community with high levels of liveability and sustainability.

Please refer to pages 102-189 for the 2012/13 full Financial Report

Income

Latrobe City Council's total income for the 2012/13 year was \$115.113 million (4% favourable to the original budget). The main factors contributing to this favourable result were, higher than expected operating grants, interest income and developer contributions together with the initial recognition of some non-monetary assets.

A breakdown of Latrobe City Council's income sources, shown below, highlights the reliance on rate revenue to fund community services and the renewal of community assets.

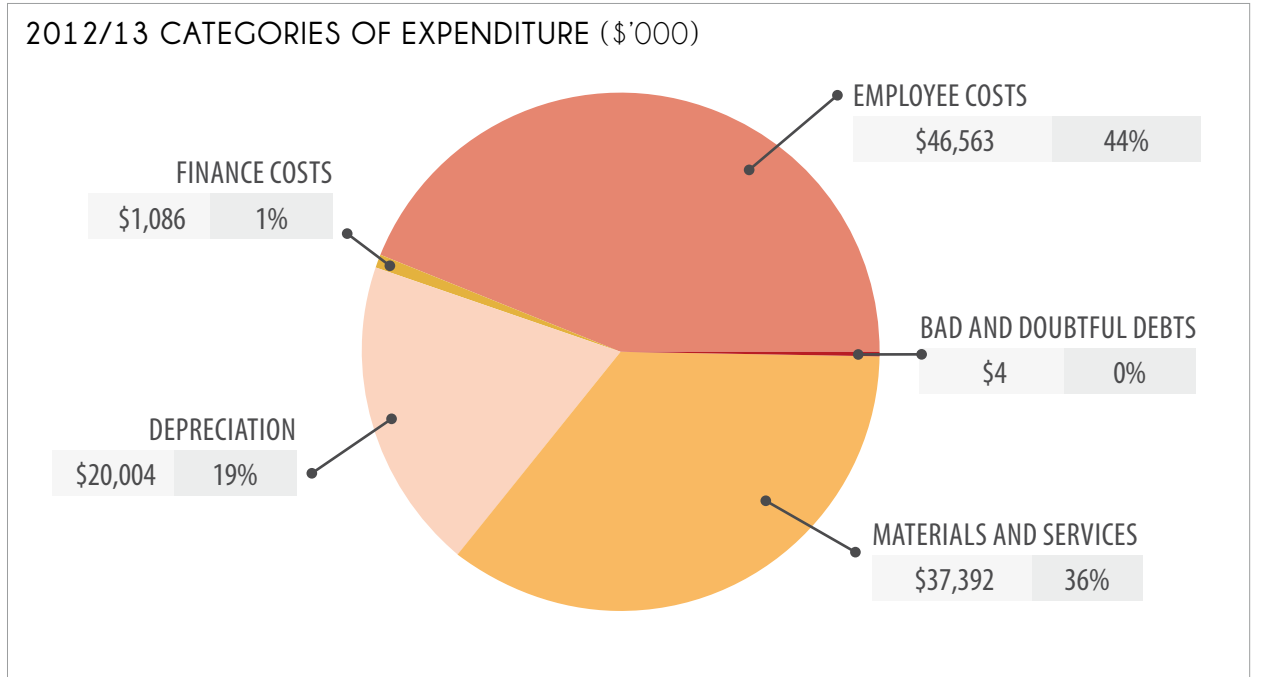


Expenses

Latrobe City Council's total expenditure for the 2012/13 year was \$105.590 million (\$2% under budget). The main factors contributing to this favourable variance were lower than expected materials and services due to some project and program funding remaining unexpended and to be carried over to be spent in the 2013/2014 financial year together with some budgeted operating expenditure being reclassified to capital expenditure. The other largest variance was in depreciation and amortisation due to later than expected commissioning of the new landfill cell.

Further explanation of variances to budget can be seen in the notes to the Standard Income Statement, refer to page 162.

A breakdown of expenditure categories is shown below. The graph highlights that 80% of total spending relates to materials, services and employee costs.



Financial Strength

The Statement of Financial Position indicates that Latrobe City Council continues to be in a sound financial position, with a healthy Working Capital Ratio, as shown in the graph.

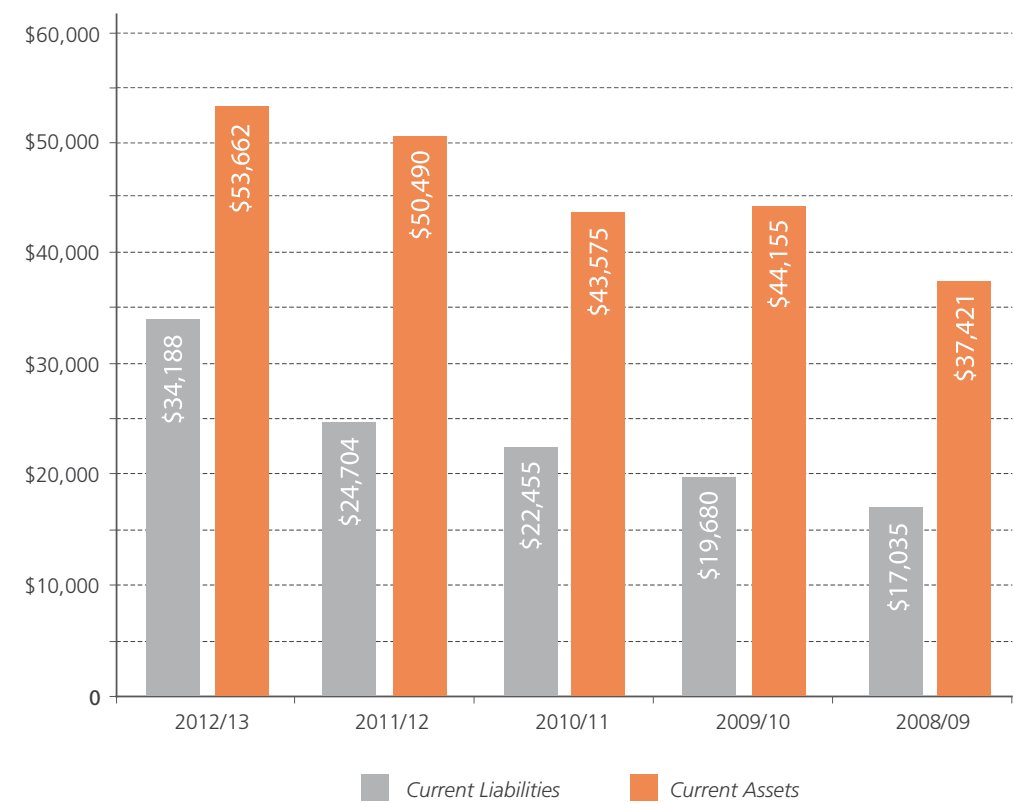
The Working Capital Ratio assesses Council's ability to meet current commitments and is calculated by measuring current assets against current liabilities. Council's ratio of 1.57:1 is an indicator of a sound financial position, having \$1.57 of current assets for every \$1 of current liabilities. The level of working capital over the past five years shows that Council's ability to meet current commitments has remained strong. The larger than normal increase in current liabilities in 2012/2013 is due to Council's unfunded superannuation liability which is due for payment in July 2013, this obligation will be funded by new borrowings budgeted in the 2013/2014 financial year.

Total equity increased to \$1,022.232 million as at 30 June 2013, an increase of \$101.044 million from the previous year. This was due to an operating surplus for the year of \$9.523 million together with Asset Revaluation Reserve movements of \$91.521 million.

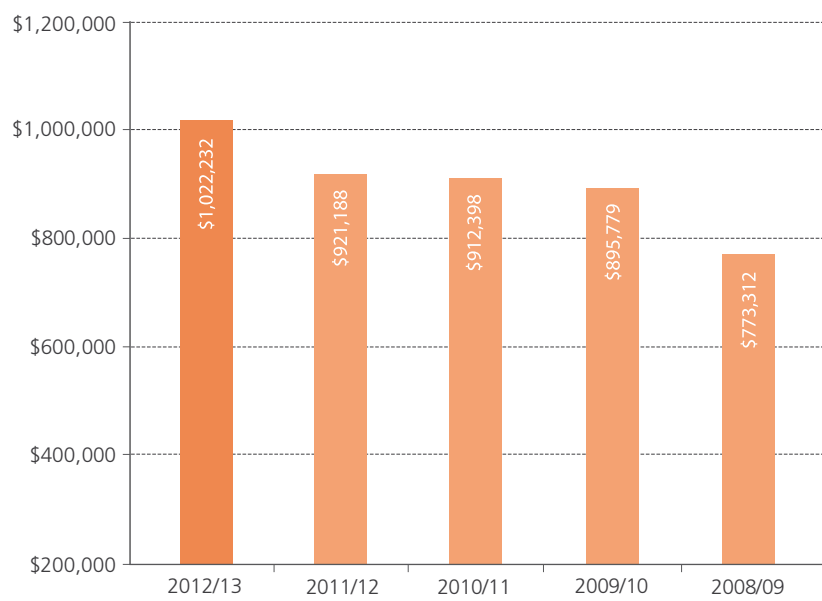
Cash

Council had a net overall cash outflow for the year of \$60,000 compared to a budgeted net cash outflow of \$7.850 million. This favourable variance is primarily the result of advanced government funding received for projects together with several major capital works projects that will be completed in 2013/14.

WORKING CAPITAL RATIO (\$'000)

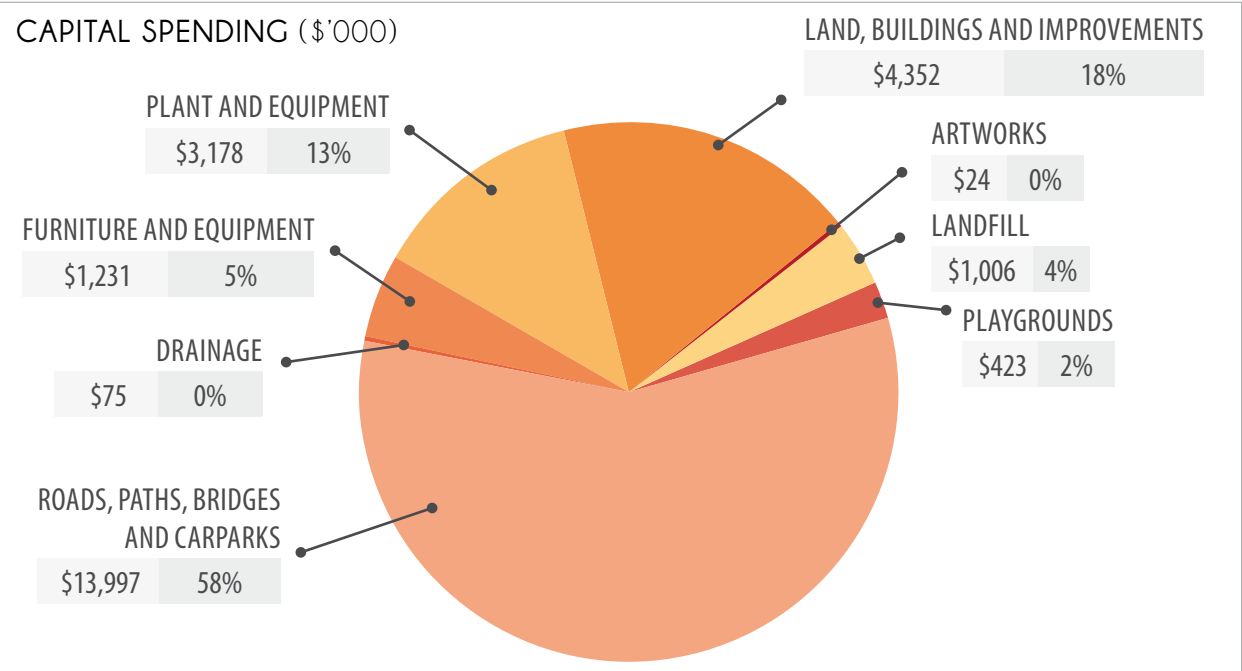


NET ASSETS (\$'000)



Capital Spending

Latrobe City Council's continuing commitment to renewing existing infrastructure is highlighted in the graph below. Capital expenditure during 2012/13 was \$24.286 million. A large proportion of this was spent on roads and associated works (58%) and land, buildings and improvements (18%).



Looking Ahead - Financial Planning

The Council Plan 2013-2017, supported by the Strategic Resource Plan, is a four year strategic plan targeting allocation of resources to meet the strategic objectives set by Council. A key driver of the Strategic Resource Plan is the Ten Year Financial Plan. The Strategic Resources Plan expresses the strategic objectives and strategies of the Council Plan in financial terms. The table below depicts key financial information as forecast in Council's Strategic Resource Plan.

Latrobe City Council projects a surplus will continue to be achieved over the four years of the Plan which will provide a sustainable level of funding for the renewal and refurbishment of community assets.

The net cash inflow/(outflow) is indicative of Council's ability to maintain its day to day operations in the longer term together with providing cash funding for the Capital Works Program. The financial year 2012/13 indicates a decrease in cash at year end. This is reflective of several major capital works projects that have been funded in prior years together with government grants advanced to council that are to be completed/spent in 2013/14.

	ACTUAL			BUDGET	FORECAST		
	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Financial Performance							
Rate Revenue	54,547	58,762	62,637	66,530	70,748	74,787	79,053
Total Revenue	112,927	113,545	115,113	121,035	126,020	133,736	130,077
Total Expenditure	96,825	107,322	105,590	109,525	110,975	116,025	120,104
Net Result for Year	16,102	6,222	9,523	11,510	15,045	17,711	9,973
Cash Flows							
Surplus from Operations	32,922	35,479	31,824	22,460	35,390	39,524	33,865
Capital Expenditure	32,784	23,050	24,286	41,216	33,234	39,258	33,856
Net cash inflow/ (outflow)	(2,740)	12,423	(60)	(13,985)	197	404	1,188

For more financial information, see the Financial Report page 102.

ABOUT COUNCIL

THE ROLE OF COUNCIL

Latrobe City is made up of four wards (*Central, East, West, South*). With nine councillors elected on 27 October 2012 for a four year term, 'Council' is the formal decision making body. Council is responsible for setting the organisation's direction and overseeing its performance on behalf of the Latrobe City community. This involves a strategic role in leading and developing the Council Plan, Annual Budget, Long Term Financial Plan, strategies and plans and policy setting.

Management of day to day operational matters is the role of the Chief Executive Officer, under delegation of the Council in accordance with the *Local Government Act 1989*. Performance of the organisation is monitored by the Council including monthly and quarterly performance and financial reports.

An independent review of the ward structures was completed in March 2012, which resulted in a change from a nine wards to four wards, effective from 27 October 2012. Each of the nine councillors represents on average 5,979 voters.



Image: (back row) Cr Darrel White, Cr Graeme Middlemiss, Cr Michael Rossiter, Cr Christine Sindt, Cr Dale Harriman, (front row) Cr Kellie O'Callaghan, Cr Sharon Gibson, Cr Peter Gibbons, Cr Sandy Kam

Our Councillors

Central Ward

Cr Graeme Middlemiss *first elected 1997*
Cr Christine Sindt *first elected 2012*

East Ward

Cr Dale Harriman *first elected 2011*
Cr Sandy Kam (Mayor*) *first elected 2007*
Cr Kellie O'Callaghan *first elected 2008*
Cr Michael Rossiter *first elected 2012*

South Ward

Cr Darrell White *first elected 1997*

West Ward

Cr Peter Gibbons *first elected 2012*
Cr Sharon Gibson (Deputy Mayor*) *first elected 2010*

**The Mayor and Deputy Mayor were elected at the Ordinary Council Meeting held on 7 November 2012.*

Thank you to outgoing councillors Lisa Price, Bruce Loughheed and Ed Vermeulen who served between July 2012 and October 2012.



Images (opposite): Latrobe City Council Staff, Moe township, Commercial Road Morwell

Council Meetings & Decisions

Council decisions are made at either an Ordinary Council Meeting, held on the first and third Monday of each month except January, or appropriately designated Special Council Meeting, which are called for urgent matters. Meetings are open to the public, unless the Council resolves to close the meeting in accordance with guidelines of the *Local Government Act 1989*.

Council meetings are held at 5.30 pm in the Nambur Wariga Meeting Room, Corporate Headquarters Morwell. Meetings are open to the public and media (except for some parts and some special meetings) and are advertised in The Latrobe Valley Express newspaper and Council's website. Public question time takes place at 5.30 pm each meeting.

Councillors also meet on the second and fourth Monday of the month for a closed Issues and Discussion Session. During 2012/13, Councillors attended the following meetings:

Councillor	Ordinary Council Meeting	Special Council Meeting
Cr Graeme Middlemiss	22/22	7/7
Cr Christine Sindt*	13/13	3/4
Cr Dale Harriman	22/22	5/7
Cr Sandy Kam	21/22	6/7
Cr Kellie O'Callaghan	22/22	5/7
Cr Michael Rossiter*	13/13	4/4
Cr Darrell White	21/22	7/7
Cr Peter Gibbons*	13/13	4/4
Cr Sharon Gibson	20/22	7/7

* Elected in October 2012.

The Council Meeting schedule, agendas and minutes are available at www.latrobe.vic.gov.au

Councillor Representation on Committees

Councillors are appointed as Council representatives on a range of special interest committees. Latrobe City Council currently has three Special Committees formulated pursuant to *Section 86 of the Local Government Act 1989*; Churchill and District Community Hub Board, Latrobe Regional Airport Board, and the Yallourn North Community Housing Committee. Council also has a range of sub-committees pursuant to other legislation and a further range of advisory and community committees and working groups.

For a full list of official councillor appointments on these committees refer to page 92.



Images: Launch of new Latrobe City Council garbage collection trucks (Cr White), Franklin Street Bridge Construction (L-R, Cr O'Callaghan, Cr Harriman), Moe Rest Station (L-R, Cr Gibbons, Cr Kam, Cr Gibson).





Code of Conduct

Councillors are bound by a Code of Conduct. The Code establishes the rules of ethical behaviour, relationships between Councillors and staff, and dispute resolution during their term of office. The Code was adopted by Council on 16 November 2009 and can be viewed on Council's website. A review of the code is currently under way and is expected to be completed by October 2013.



Audit Committee

The primary role for the Audit Committee is to provide an independent review of Council's financial and management systems and reporting responsibilities. It also ensures compliance with statutory rules and regulations and oversees an effective and efficient audit system both internally and externally. It is comprised of two independent external members and two Councillors (for more refer to page 90).

Councillor Allowances

From July 2012 to 26 October 2012 the Mayoral allowance was \$67,634 and the Councillor allowance \$21,859 per annum, plus the equivalent of the superannuation guarantee contribution of 9%.

On 26 October 2012, the Department of Planning and Community Development (refer circular No. 39/2012) advised all Council's that a notice was published in the Government Gazette on 26 October 2012, providing for a 2.5% adjustment to apply to all Mayoral and Councillor allowances taking effect from 27 October 2012. Under Section 73B (5) of the *Local Government Act 1989*, a Council must increase the Mayoral and Councillor allowances by this 2.5% adjustment.

Consequently, from the 27 October 2012 the Mayoral and Councillor allowances were increased to \$69,325 and \$22,405 per annum respectively, plus the equivalent of the superannuation guarantee contribution of 9%.

As a general election was held on 27 October 2012, in accordance with section 74(1) of the *Local Government Act 1989*, there was a requirement for Council to review and determine the level of Councillor and Mayoral allowances within a period of 6 months from the date of the election. This review was undertaken and at the ordinary council meeting held on 4 February 2013, Council resolved to set the Mayoral allowance to \$67,634 and the Councillor allowance to \$21,859 per annum from this date, plus the equivalent of the superannuation guarantee contribution of 9%.

Images (opposite page):
Councillor Oath of Office,
TRAMPS Heartstart recipients
(Cr Kam)

In addition to their allowances, Councillors receive for Council use a mobile phone, laptop computer, iPad and printer/fax. They may also claim expenses incurred while performing their duty as Councillors and utilise office administration and support. The Mayor also receives a vehicle for the duration of his or her term, a dedicated office and support from an assistant.

Delegated Decision Making

A vital element in assisting Council administration to function effectively and efficiently is the delegation from Council to special committees of Council and the Chief Executive Officer under the *Local Government Act 1989*. This allows Council to focus on policy direction whilst the Chief Executive Officer implements these directions as part of day to day operations.

On 16 November 2009, Council delegated to the Chief Executive Officer a set of powers and duties.

Assembly of Councillors

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

OUR EMPLOYEES

Organisational Structure

Latrobe City Council continually strives to provide an efficient and effective organisational structure which will support the delivery of Latrobe 2026 and the Council Plan to strategically meet the challenges of the future as well as deliver good governance and quality services. Each division is led by a General Manager, reporting to the Chief Executive Officer (CEO).

COMMUNITY

COUNCIL



Paul Buckley PSM*
Chief Executive Officer

Paul's portfolio includes:
- Organisational Leadership

Grantley Switzer*
General Manager
Recreational, Culture
and Community
Infrastructure



Grantley's portfolio includes:

- **Manager Recreational Liveability - Jamey Mullen***
 - Leisure Facilities
 - Recreation Liaison and Ovals
 - Recreation and Open Space Planning
- **Manager Cultural Liveability - David Elder***
 - Events
 - International Relations
 - Arts
- **Manager Infrastructure Operations - Jody O'Kane***
 - Building Maintenance
 - Infrastructure Maintenance
 - Parks, Gardens and Playgrounds
- **Manager Infrastructure Development - Damian Blackford***
 - Major Projects
 - Infrastructure Design
 - Infrastructure Planning
 - Civil Works Projects

Michael Edgar*
General Manager
Community Liveability



Michael's portfolio includes:

- **Manager Community Information Services - Julie Kyriacou***
 - Community Information
 - Libraries
 - Local Laws
- **Manager Child and Family Services - Jodie Pitkin***
 - Early Learning and Care
 - Early Childhood Health and Development
- **Manager Community Development - Steve Tong***
 - Community Strengthening
 - Social Inclusion
 - Employment Development
 - Emergency Management
- **Manager Community Health and Wellbeing - Helen Taylor**
 - Environmental Health
 - Aged and Disability
 - Social Support
- **Manager Healthy Communities - Regina Kalb**
 - Healthy Communities
 - Healthy Workforces
 - Healthy Children

Carol Jeffs*
General Manager
Governance



Carol's portfolio includes:

- **Manager Council Operations, Legal Counsel - Tom McQualter***
 - Legal Advice, Support and Facilitation
 - Council Operations
 - Property and Statutory Services
- **Manager Risk and Compliance - Allison Down**
 - Strategic Risk and Compliance
 - Occupational Health and Safety
- **Manager Finance - Matthew Rogers***
 - Property and Rates
 - Procurement
 - Accounting Services
 - Payroll
- **Manager Community Relations - Jacinta Saxton***
 - Communications
 - Community Engagement
- **Manager City Planning - Chris Wightman***
 - Strategic Planning
 - Statutory Planning
 - Building Services

Zemeel Saba*
General Manager
Organisational
Excellence



Zemeel's portfolio includes:

- **Manager Corporate Strategy - Nathan Misiurka**
 - Corporate Planning and Reporting
- **Manager Corporate Strategy Projects - Michelle Franke**
 - Corporate Projects
- **Manager People and Development - Linda Christy**
 - Human Resources
 - Learning and Development
- **Manager Information Services - Steve McIlhatten**
 - Information Management
 - Information Technology
 - Graphical Information Systems

Allison Jones*
General Manager
Economic
Sustainability



Allison's portfolio includes:

- **Manager Economic Development - Geoff Hill**
 - Business Development
 - Tourism
- **Manager Latrobe Regional Airport - Neil Cooper**
 - Latrobe Regional Airport
- **Manager Regional Partnerships - Julia Agostino**
 - Regional Partnerships
- **Manager Natural Sustainability and Environment - Deirdre Griepsma***
 - Waste Services
 - Landfill Services
 - Environmental Services

*Senior Officers in accordance with the Local Government Act 1989, for more information refer to page 30.



Images: Latrobe City Council staff

Employee Profile

Latrobe City Council is committed to attracting, developing and retaining employees with a diverse range of qualifications, abilities and a passion for quality services to the community. We value our people and recognise this formally in our Organisational Excellence @ Latrobe Strategy, for more refer to page 83.

Our workforce is made up of a total of 1,015 employees, who all play a vital role in contributing to the organisation’s success. As at 30 June 2013, employees included:

EMPLOYEES BY TYPE		
	2011/12	2012/13
Full Time Staff	338	401
Part Time	372	354
Casual	223	260
Total	933	1015
Full Time Equivalent (FTE) ¹	518	555

WORKFORCE PROFILE		
	2011/12	2012/13
Female	74%	74%
Male	26%	26%
17-30 year olds	23%	25%
31-50 year olds	41%	43%
51-70 year olds	35%	33%
70 + years	1%	0.9%
Turnover rate ²	7.2%	4.7%
Senior Officers ³	1.7%	1.7%

¹ Increase of 7.1% FET's from 2011/12 is in response to demand for services predominately in Healthy Communities, Home and Community Care and Child and Family Services

² Including seasonal and casual staff

³ In accordance with the *Local Government Act 1989*



Image: Latrobe City Council staff

Equal Employment Opportunity (EEO)

Latrobe City Council is committed to providing an employment environment free from discrimination, harassment and bullying. All employees, contractors, volunteers and agents are entitled to be treated fairly and equitably on the basis of their abilities and merit. To support a discrimination-free workplace an EEO Committee, training for leadership staff, frameworks and procedures, and a Corporate Induction Program are provided. During the past financial year our EEO Framework was reviewed and training delivered for current and new staff.

No direct complaints in relation to breaches of EEO legislation were received during the 2012/13 financial year.

Industrial Relations

Latrobe City Council Enterprise Agreement 2012-2015 was negotiated, submitted and subsequently approved by Fair Work Australia in August 2012 with an expiry date of 30 July 2015. This negotiation consisted of Employee Consultative Committee members and nominated employee bargaining representatives.

AWARD HIGHLIGHTS

Awards Achieved 2012/13

Latrobe City Council promotes a culture of performance excellence, continuous improvement and innovation resulting in great outcomes for our community. Awards achieved during 2012/13 include:



Julia Agostino, Manager Regional Partnerships

2012 Churchill Fellowship Winner

July 2012

Awarded for the project "Local Government Strategies for Transitioning Communities"



Gagan Singh, IT Network Administrator

Municipal Associations Victoria Local Government Information Communication and Technology Individual Achievement Award Finalist

August 2012

For Leadership of the IT Disaster Recovery Project

Information Technology Team

Municipal Associations Victoria Local Government Information Communication and Technology Environmental Sustainability Award Winner

August 2012

Awarded for implementing significant cost savings in printing and copying

Latrobe City Council (in partnership with Wellington Shire Council)

2012 Parks and Leisure Australia National Award, Inclusive and Connected Communities Winner

August 2012

Awarded for the Grand Strezelecki Track project

International Relations Program

Sister Cities Australia National Awards - Youth Project "Sports Exchange Program" Winner

November 2012

Awarded for the Judo Sports Exchange Program to Takasago Japan

Corporate Strategy Department

2012 Local Government Professionals Excellence in Local Government - Corporate and Community Planning Award Finalist

November 2012

Awarded for the Council Plan 2012-2016 Highlights Community Conversation Booklet, and Implementing Quality and Cost Standards projects



Image: Latrobe City Council Recovery Team

Community Bushfire Recovery Team

2012 Resilient Australia Awards - Victorian Awards Finalist

November 2012

Awarded for Latrobe City Communities Fighting Forward

Meals On Wheels Service

Latrobe City Business Tourism Association People's Choice Awards Nominee

June 2013

Excellence in Customer Service award

Corporate Strategy Department

Australasian Reporting Awards Local Government Category Bronze Award

June 2013

Awarded for the Latrobe City Council Annual Report 2011/12



Image: Award winning Latrobe City Council Annual Report 2011/12

Years of Service

Latrobe City Council has recently approved a framework which aims to recognise major milestones achieved by staff. Approximately 360 staff will be recognised for their contributions in the first ceremony, recognition will then take place bi-annually.



Our Volunteers

Latrobe City volunteers make a valuable contribution to the community they live in. Volunteers assist Council in various ways supporting our capacity to deliver great quality services.

These are just some of the ways in which volunteers have contributed in 2012/13:

Planned Activity Group Volunteers

Ten dedicated volunteers regularly gave their time to ensure effective service delivery to frail-aged, socially isolated and disabled clients in the program.

Volunteering included:

- preparation of meals;
- social contact for people who may be socially and emotionally isolated; and
- transporting clients to and from program venues.

We Care Program Volunteers

Twenty volunteers gave their time to enrich the quality of life of frail-aged and disabled residents who are socially isolated and would benefit from a regular, friendly visitor.

Volunteering included:

- providing social contact for people who may be socially and emotionally isolated; and
- providing feedback for the purpose of monitoring the wellbeing of clients.

Meals on Wheels Volunteers

139 dedicated volunteers were the back-bone of the Meals on Wheels Program. The program aims to provide nutritionally balanced meals to frail-aged and people with disabilities residing in their own homes.

Volunteering included:

- ensuring timely delivery of meals to residents in the community;
- providing social contact for people who may be socially and emotionally isolated; and
- providing feedback for the purpose of monitoring the wellbeing of clients.

Visitor Information Centre Volunteers

Eight dedicated community members volunteered at the Community Information Centres, on a regular roster including weekend shifts.

Volunteering included:

- assisting staff in the operations by providing a diverse range of high quality information to our visitors;
- assisting with such events as the Great Victorian Bike Ride; and
- maintaining daily visitor statistics and ensuring visitor surveys are conducted.

Image (opposite page): Latrobe City Council Meals on Wheels volunteers

SETTING OUR DIRECTION





OBJECTIVE	PAGE
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Advocacy and Partnerships	72
Regulation and Accountability	78

How to read this section

This section of the report provides a detailed account of how we performed against the nine objectives of the Council Plan 2012-2016.

For each objective the performance is reflected through, major initiatives, services and indicators which were to be completed during the year.



Snapshot 2012/13

Council's **overall progress** against the Council Plan 2012-2016 as at 30 June 2013:

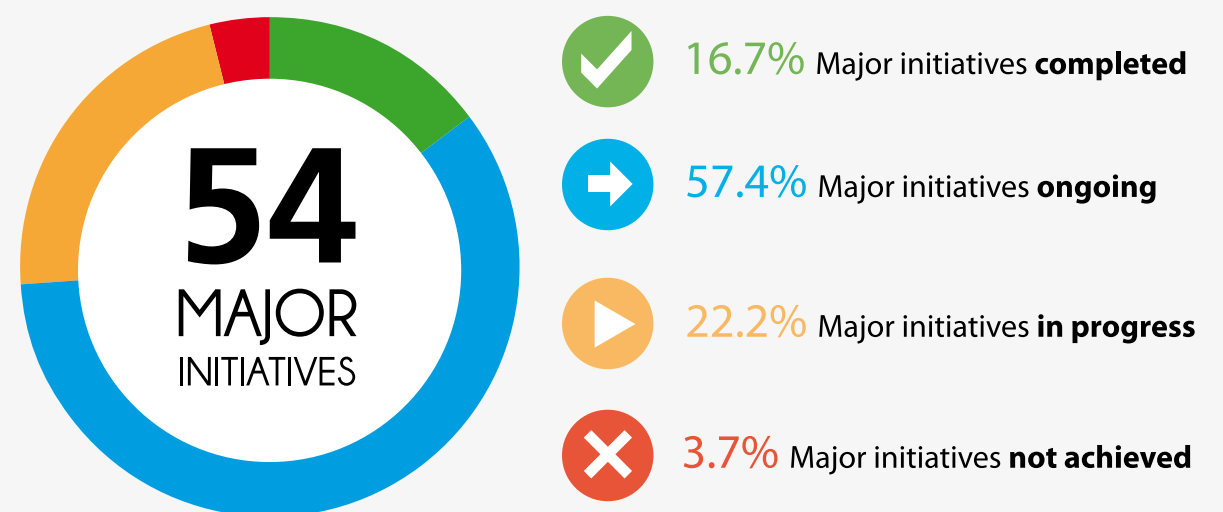


Image: Latrobe Leisure



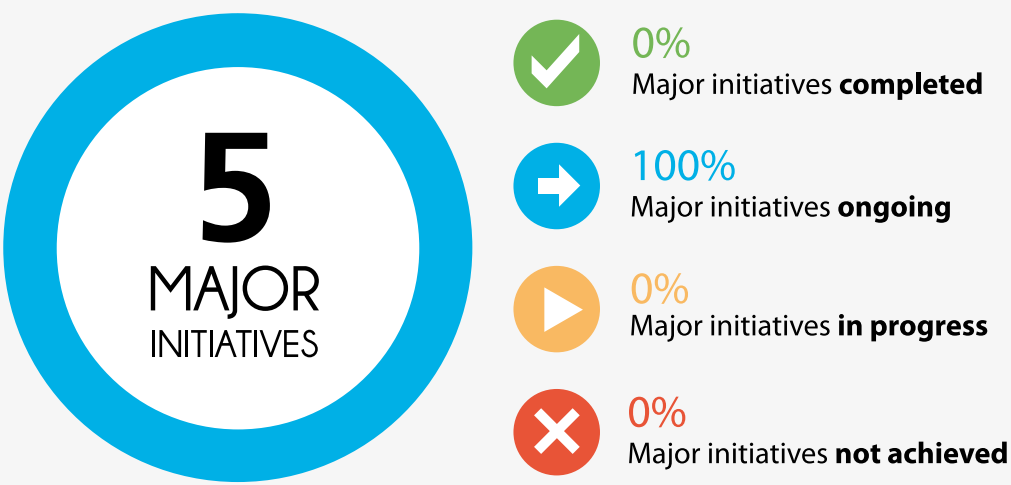
Image: Latrobe Regional Airport

ECONOMY

In 2026, Latrobe Valley has a strong and diverse economy built on innovative and sustainable enterprise. The vibrant business centre of Gippsland contributes to the regional and broader economies, whilst providing opportunities for prosperity for our local community.

Snapshot 2012/13

During 2012/13 Council **invested \$4.17 million in the Economy** objective.



Ensure well planned infrastructure that enhances the marketability of the municipality to industries, residents and investors.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Implement the Latrobe Regional Airport Master Plan to effectively develop the airport and to facilitate investment and jobs growth.	01/07/2012-30/06/2016 	<p>100% of Latrobe Regional Airport Masterplan actions for 2012/13 were implemented. The Latrobe Regional Airport Master Plan reviews the existing land use and development opportunities for the airport and surrounding areas until 2030.</p> <p>Grant funding through the Federal Government's Regional Development Australia Fund and the Victorian Government's Regional Airports Fund was used to upgrade infrastructure at Latrobe Regional Airport, to support commercial and industrial investment and facilitate jobs growth into the future.</p> <p>Projects implemented include an upgrade to the radio navigation beacon, new runway lights and landing system, resurfacing of the main runway, servicing additional industrial land and an upgrade of the main apron area.</p>

Strengthen the economic sustainability of the region by actively encouraging partnerships with other local governments, industry and with community agencies.

Support the implementation of the Latrobe Valley Advantage Fund and its three themes of Skilling the Valley, Attracting New Industries and Jobs and Sustainable Energy Research and Development.	01/07/2012-30/06/2016 	Council actively supported the Latrobe Valley Advantage Fund (LVAf) through participation in the Industry Link Officer initiative and Regional Development Victoria's ongoing Senior Officer Group meetings designed to support Latrobe Valley Industry and Employment Roadmap initiatives.
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Service Provision highlights for 2012/13:

- Continued implementation of Council's low carbon transition policy and related activities, including review of Council's key lobbying document, *Securing our Future*.
- Supported a range of expansion projects by Australian Paper, Lion and GippsAero.
- Participated in the Victorian Government Super Trade Missions to China and India.
- Delivered the Accelerated Business Support program and 2013 Employment and Industry Survey.
- Maintained, developed and operated the Latrobe Regional Airport to provide a safe operating environment for general aviation, charter, flying training and emergency operations.
- Provided tourism information at event venues, ticket sales and promotion.
- Updated the Visitor Information website and introduced a tourism Facebook page.





PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the average number of participants attending business training sessions which are supported by Latrobe City Council during the financial year.	15	15	17.9	
<i>* Council assisted with the delivery of 10 workshops and seminars for local industry which were attended by 179 representatives of local businesses.</i>				
Increase number of tourism enquiries* received by the Visitor Information Centre.	63,271	67,575	80,602	
<i>*Tourism enquiries increased by almost 20% from 2011/12, which well exceeded the target</i>				
Increase the number of Latrobe City business enquiries received and responded to by 5% annually.	234	279	414	
Increase the number of occupied industrial allotments at Latrobe Regional Airport annually.	16	19	20	



Image (opposite page):
Industry and Employment
Roadmap Launch,
Peter Ryan MLA



Image: Launch of new fleet of Latrobe City Garbage Collection Trucks

NATURAL ENVIRONMENT

Latrobe 2026 Community Vision

In 2026, Latrobe Valley enjoys a beautiful natural environment that is managed and protected with respect, to ensure a lasting legacy for future generations.

Collaborate with stakeholders to progress environmental sustainability initiatives aimed at reducing environmental impacts.

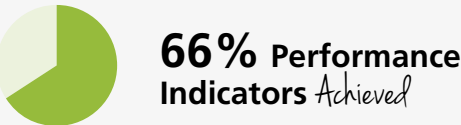
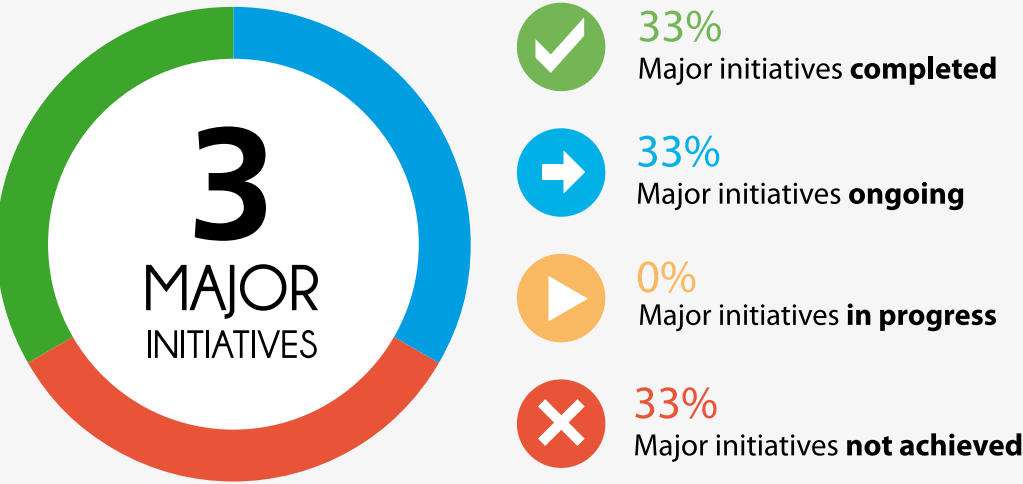
MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Implement actions from the <i>Natural Environment Sustainability Strategy 2008-2013 (NESS)</i> to achieve identified biodiversity and sustainability outcomes.	01/07/2012-30/06/2013 	Objectives under the five themes and 16 action areas of the strategy were implemented with some defined outcomes achieved and others progressed with activities continuing into the future and ranged from monitoring greenhouse gas emissions through to advocating for sustainable outcomes. A <i>NESS Snapshot Report</i> which details the Strategy's progress was presented to Council in June 2013. The report is available on Council's website. This is the final snapshot report under the current strategy document. Activity under the current NESS will continue. A new <i>Natural Environment Sustainability Strategy</i> will be presented to Council for consideration in the 2013/14 financial year.

Promote greater awareness of climate change to support the adaptability of the community to the impacts arising from climate change.

Facilitate the delivery of the Latrobe City Council Climate Change Consultative Committee Action Plan.	01/07/2012-30/06/2016 	The requirement and function of the Latrobe City Council Climate Change Consultative Committee was reviewed by Council at the 20 April 2013 Ordinary Council meeting. Council resolved to discontinue the Climate Change Committee and therefore the Action Plan has not been delivered.
Support the Gippsland Climate Change Impacts and Adaptation Project to create a vision and a set of socio-economic and bio-physical opportunities which will secure Gippsland's role as a national food bowl.	01/07/2012-30/06/2016 	Stage two of the project was completed during 2012/13. Activities delivered included the completion of climate change impact modelling of a range of commodities. Completion of this project is scheduled for 2013/14.

Snapshot 2012/13

During 2012/13 Council **invested \$12.42 million in the Natural Environment** objective.



Service Provision highlights for 2012/13:

- Approximately 64,000 kerbside waste bins were collected from households in Latrobe City each week.
- Over 8,200 plants were planted across 6 sites to offset emissions from Council's fleet.
- Hyland Highway Landfill operating requirements were met including waste disposal, reporting, leachate management and litter collection.
- Delivered a no charge hard waste drop off weekend in September 2012 and April 2013 and booked hard waste kerbside collection service in December 2012 and May 2013.
- Provided upgraded facilities at transfer stations with works at Moe, Morwell and Traralgon continuing as part of a four year project which commenced in 2011.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Reduce Latrobe City municipal waste to landfill by 1% annually, as a proportion of total waste collected.	43%	55.5%	54.9%	✗
* Includes kerbside collection and transfer stations.				
Increase kilometres of Latrobe City roadsides assessed and treated for weed infestations annually.	915 km	1753 km	1932 km	✓
* 1932 km of rural roadside assessed/monitored (100% of rural roadsides), with 792 km of rural roadsides treated.				
Reduce total corporate greenhouse gas (tonnes CO2 eq) emissions (scope 1, 2 and 3) compared to the previous year.	16,000	16,683	16,080	✓
Note: this indicator replaces the energy savings measures indicator as data for the indicator could not be captured accurately.				
Council emissions are sourced from energy, street lighting, fleet, waste and other performance data. Council has implemented new initiatives to reduce greenhouse gas emissions during 2012/13 resulting in savings of 76 tonnes of CO2. Actions from previous years continue to take effect and bring the cumulative abatement to 806 tonnes in 2012/13.				

Image (opposite page):
Tree Planting, Tyers





BUILT ENVIRONMENT

Latrobe 2026 Community Vision

In 2026, Latrobe Valley benefits from a well planned built environment that is complementary to its surroundings, and which provides for a connected and inclusive community.



Snapshot 2012/13

During 2012/13 Council **invested \$33.21 million in the Built Environment** objective.



- ✓ 20% Major initiatives **completed**
- ➔ 50% Major initiatives **ongoing**
- ▶ 20% Major initiatives **in progress**
- ✗ 10% Major initiatives **not achieved**

2

Community Satisfaction Survey
Indicators *Trended lower*



33% Performance
Indicators *Achieved*

Ensure Latrobe City Council's infrastructure is managed through a long term strategic approach to asset management.


MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Replace the low level Franklin Street Bridge to minimise disruptions to the Traralgon community during flooding events.	01/07/2012-30/06/2013 ✓	The Franklin Street Bridge replacement was completed in April 2013. The new bridge is one metre higher than the old bridge to reduce flooding impacts. It also includes a shared footpath on each side of the road, as well as lighting and protective bollards for pedestrian safety. During the construction of the bridge, Franklin Street was closed for a number of months. To ensure the community were well informed community engagement activities occurred throughout the life of the project, including letter drops, flyer distribution, advertising and illuminated signage at the site. For more information refer to Capital Works Highlights page 12.
Review the Asset Management Strategy and present to Council for consideration.	01/07/2012-30/06/2013 ▶	A project plan has been completed to ensure compliance with the National Asset Management Assessment Framework (NAMAF). An internal asset management steering committee was established during June 2013, and will assist in guiding the project, which is expected to be completed by December 2013.
Review the Road Management Plan and present to Council for consideration.	01/07/2012-30/06/2013 ✓	The Road Management Plan review was completed and released for public comment during May 2013 and adopted by Council in June 2013. This was the third revision of the Road Management Plan, with only minor changes being made since first developed in 2005.

Image (opposite page): Franklin Street Bridge Replacement

Promote and support private and public sector investment in the development of key infrastructure within the municipality

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Finalise the Traralgon Growth Areas Review (TGAR) including the Traralgon West Corridor Precinct Structure Plan to identify long term growth and development opportunities.	01/07/2012-28/02/2013 	<p>Significant community consultation activities have occurred on the TGAR project, including over six months public exhibition of draft documents between 9 April 2012 and 16 November 2012. Other activities included community consultation workshops, one-on-one meetings with stakeholders, facilitated councillor discussions and participation in the TGAR Resident Group Meetings.</p> <p>Council facilitated information sessions in August 2012 regarding the proposed Australian Paper buffer which forms part of the exhibited TGAR documents.</p> <p>A Special Council Meeting was held on 11 February 2013 to consider all written submissions and hear TGAR submitters. As a result detailed planning assessments of the written submissions and necessary changes proposed to the draft TGAR documents have been undertaken.</p> <p>The final TGAR documents will be presented to Council in the second half of 2013 with the project scheduled for completion by the 31 December 2013.</p>
Finalise Development Plans and Development Contribution Plans for Traralgon North to ensure new communities are well planned and provided with necessary public infrastructure.	01/07/2012-30/06/2013 	<p>The draft Traralgon North Development Plan and Development Contribution Plan were on public exhibition from 5 November 2012 to 17 December 2012. This was supported by information sessions and one-on-one workshops with landowners. A total of 15 submissions were received.</p> <p>Detailed consideration of the submissions has commenced with further updates to the draft Traralgon North Development Plan and Development Contribution Plan required.</p> <p>The final documents are expected to be presented to Council for consideration in the second half of 2013.</p>

Promote and support high quality urban design within the built environment.

Finalise Stages two and three of the Traralgon Activity Centre Plan (TACP) to improve access, guide future land use and establish an urban design framework and parking precinct.	01/07/2012-30/12/2014 	<p>The Traralgon Activity Centre Plan Key Directions Report was presented to Council on 19 September 2011. Council resolved to defer endorsement of the Key Directions Report until a number of further actions had been completed, including the preparation of a parking precinct plan and parking strategy. The resolution also linked consideration of the Key Directions Report with Council consideration of the Traralgon Growth Areas Review.</p> <p>A draft Traralgon Car Parking Strategy has been developed and a Parking Precinct Planning Working Group was appointed to provide input into the preparation of a parking strategy. The draft Traralgon Car Parking Strategy and the draft TGAR projects are yet to be adopted by Council.</p> <p>The draft Traralgon Car Parking Strategy and the draft TGAR are expected to be considered for adoption by Council during 2013/14.</p> <p>Therefore, recommendations from the Council resolution of 19 September 2011 have resulted in TACP Stage two being currently on hold without a formal completion date due to the progress of the draft Car Parking Strategy and the draft TGAR.</p>
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Promote the integration of roads, cycling paths and footpaths with public transport options and public open space networks to facilitate passive recreation and enhance the liveability and connection of Latrobe City.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Continue the Morwell to Traralgon shared pathway feasibility study to improve connectivity between the two towns.	01/07/2012-30/06/2013 	<p>Due to the presence of significant native vegetation and biodiversity on the proposed routes a biodiversity assessment was undertaken during 2012. The biodiversity report was completed in November 2012.</p> <p>During February 2013 a councillor presentation occurred on the project background, the preferred route option and the next steps for the project.</p> <p>Following Council endorsement, key landowners were consulted in March and April 2013, and engagement with smaller landowners occurred in April and May 2013.</p> <p>The draft Feasibility Study is expected to be considered by Council in July 2013, followed by a community exhibition period.</p>

Ensure proposed developments enhance the liveability of Latrobe City, and provide for a more sustainable community.



Actively participate in the Gippsland Integrated Land Use Plan to provide direction and priorities for addressing population growth, land use change, new infrastructure requirements and the management of natural resources including coal and agricultural assets (Supporting the Gippsland Regional Plan).	01/07/2012-30/06/2016 	<p>The project has progressed in accordance with the project plan, including a briefing for all Gippsland councillors at the Gippsland Local Government Network Councillor Forum and for Latrobe City councillors during April 2013.</p> <p>The draft Gippsland Regional Growth Plan (Gippsland Integrated Land Use Plan) has been completed and was released for public comment on 3 June 2013.</p> <p>Latrobe City Council has actively participated in this project, jointly hosted by Baw Baw Shire Council and the Department of Planning and Community Development.</p> <p>The final plan is due for completion by October 2013.</p>
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Image (opposite page):
Traralgon township

Integrate transit cities principles in the development of Moe, Morwell and Traralgon activity centres.




MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Pursue government funding opportunities to progress construction of the Moe Rail Precinct Revitalisation Project in accordance with the Moe Activity Centre Plan.	01/07/2012-30/06/2016 	<p>On 17 December 2012, Council resolved to undertake a full review of the Moe Activity Centre Plan (MACP) and the Moe Rail Precinct Revitalisation Project (MRPRP).</p> <p>The review included substantial community consultation. A formal submission process, where a total of 77 submissions were received as part of the review process, this included two petitions with a total of 7,025 signatures. Council Meetings were held in February and March 2013 with a significant number of community members in attendance.</p> <p>At the 25 March 2013 Special Council Meeting, Council resolved to pursue State and Federal Government funding opportunities to progress the Moe Rail Precinct Revitalisation Project in line with the concept design adopted on 9 May 2011.</p> <p>Applications have since been submitted to the State Government and meetings held with Federal and State Government Ministers and other representatives to assist in attracting funding for the project.</p> <p>It is expected that the outcome of funding applications will be known during 2013/14. Progression of the Moe Rail Precinct Revitalisation Project is dependent on funding.</p>



Ensure the Local Planning Policy Framework is reviewed in accordance with legislative requirements, and updated regularly to reflect community aspirations and growth.

Commence the Latrobe Statutory Planning Scheme review.	01/07/2012-30/06/2013 	This project has not progressed due to staff vacancies and competing project priorities. The project is expected to be delivered during 2013/14.
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Service Provision highlights for 2012/13:

- Assessed 277 report and consent applications and property information requests; audited 109 pool barriers; assessed 102 high risk buildings for essential safety measure compliance in accordance with the *Building Act*.
- Provided traffic management and asset management advice to projects including the Market Street/Albert Street Moe intersection and review of parking requirements in the Morwell CBD.
- Building maintenance was carried out on over 300 assets valued at over \$150 million with a budget of \$4.5 million.
- Maintained approximately 1,600 km roads and associated signage; 700 km of footpaths; 1,000 km of kerb and channel; 18,000 stormwater drainage pits; and 75,000 urban park and street trees.
- Provide recreation and open space planning advice to strategic planning development plans and pursued funding opportunities for clubs and community organisations.
- Over 100 public amenities receive a cleaning service from Council managed contractors.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Deliver at least 80% of the funded Latrobe City Council Annual Capital Works Program within the financial year.	74%	86%	65%	
<i>* Works were delayed due to inclement weather; engineering resources allocated to the landslip projects that occurred over the last two years; and a large carry forward from 2011/12. All outstanding works are scheduled for completion during 2013/14. For more information refer to Capital Works Highlights page 12.</i>				
Process at least 60% of planning permit applications within 60 days, as reported in the Department of Planning and Community Development Planning Permit Application Reporting System.	47%	60%	54%	
<i>*Note: 2012/13 figure is preliminary, refined figures are not yet available.</i>				
Achieve at least 98% compliance of Council owned buildings in the annual Essential Safety Measures audit.	NA	NA	98%	

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for local streets and footpaths in the annual Local Government Satisfaction Survey.	57	55	58	
Increase Latrobe City Council's indexed mean score for town planning approvals and policy development in the annual Local Government Satisfaction Survey.	56	52	56	

** The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.*



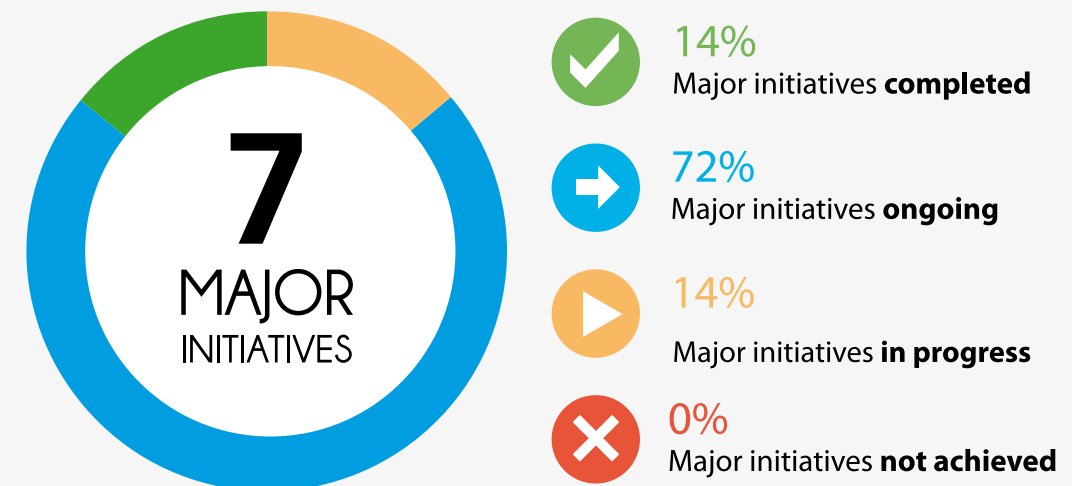
OUR COMMUNITY

Latrobe 2026 Community Vision

In 2026, Latrobe Valley is one of the most liveable regions in Victoria, known for its high quality health, education and community services, supporting communities that are safe, connected and proud.

Snapshot 2012/13

During 2012/13 Council **invested \$25.95 million in the Our Community** objective.



100% Performance Indicators Achieved

Provide support, assistance and quality services in partnership with relevant stakeholders to improve the health, wellbeing and safety of all within Latrobe City.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Continue to advocate for improved transport linkages across Latrobe City.	01/07/2012-30/06/2016 ➡	The Traralgon CBD Safety Committee successfully advocated for the continuation of the 'night rider' bus service. The night time bus service provides transport from Traralgon's nightclub precinct to neighbouring towns and has been funded for another year by the State Government.
In consultation with community groups, develop and implement a Seniors Week program of activities to provide opportunities for active participation of older people.	01/07/2012-30/06/2016 ➡	The Seniors Week program of activities was delivered across the municipality during October 2012. Events were held over seven days offering 40 activities, with all activities fully booked. Unsolicited letters of appreciation have been received.

Facilitate and support initiatives that strengthen the capacity of the community.

Review the Latrobe City Childcare Strategy 2006-2011 and prepare a Children's Services Plan to document and promote Latrobe City Council's integrated early year's services.	01/07/2012-30/06/2013 ▶	Stakeholder engagement has taken longer than anticipated, which has extended the initial timeframes for this project. The Project Assurance Group (comprising the Early Years Reference Committee) sought an extension of the project to ensure appropriate engagement of all relevant stakeholders. An extension was granted in the hope to improve consultation activities and result in a more effective strategic document. The project is expected to be completed in September 2013.
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Image (opposite page): Glendonald Park Preschool

Provide access to information, knowledge, technology and activities that strengthens and increases participation in community life.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Deliver the annual Children's Services Expo during Children's Week to promote early years services provided across Latrobe City.	01/07/2012-30/06/2016 ➡	The Children's Service Expo was successfully delivered during October 2012. This event was again a success attracting over 2,000 attendees. The event provided an opportunity for families to access a range of early years' service information. Entertainment and activities included face painting and stage shows, resulting in lots of family fun.
Lead the Latrobe Settlement Committee to assist new settlers.	01/07/2012-30/06/2016 ➡	The Latrobe Settlement Committee continues to meet with agencies and service providers to produce better outcomes for newly arrived residents.
Facilitate the Disability Reference Committee to support the implementation of the Disability Action Plan.	01/07/2012-30/06/2016 ➡	The Disability Reference Committee continues to meet on a regular basis to provide support and advice in regard to Latrobe City Council's Disability Action Plan.
Facilitate and coordinate events during Social Inclusion Week 2013 in partnership with other organisations.	01/07/2012-30/06/2013 ✔	In partnership with the Central West Gippsland Community Inclusion Network, 19 events were delivered during Social Inclusion Week in Latrobe City. For more on the Disability Action Plan refer to page 98.

Support initiatives that promote diversity and social inclusion.

Service Provision highlights for 2012/13:

- Delivered on average 760 Meals on Wheels Program meals per week to eligible clients.
- Inspected all Latrobe City Council food premises in accordance with the Food Act.
- Activated the Municipal Emergency Coordination Centre and Relief Centres to support communities impacted by the Aberfeldy Fire in January 2013 and floods in June 2013.
- Coordinated 80 training placements, resulting in 60 employment outcomes for indigenous people.
- Distributed a total of \$435,000 to local community groups across Latrobe City through the community grants program.
- Received 75,514 calls resulting in over 41,285 customer requests for service at Council's Service Centres and Libraries.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the number of visits to Latrobe City Council libraries to access services, activities, education programs and to engage with others by 1% annually.	215,000	217,150	225,754	✔
Maintain at least 95% overall participant satisfaction for Latrobe City Council Community Groups Training Forums delivered during the financial year.	99%	100%	98%	✔
Maintain at least 80% overall customer satisfaction in the annual Latrobe City Council Maternal and Child Health Services Survey.	87%	90%	95%	✔
Maintain at least 85% overall customer satisfaction in the annual Latrobe City Council's Home and Community Care Services Survey.	92%	95%	91%	✔
Maintain Latrobe City Council's immunisation percentage rate of at least 90% for children five years of age and under for Latrobe City annually.	93.70%	94.2%	95.35%	✔



CULTURE

Latrobe 2026 Community Vision

In 2026, Latrobe Valley celebrates the diversity of heritage and cultures that shape our community, with activities and facilities that support the cultural vitality of the region.

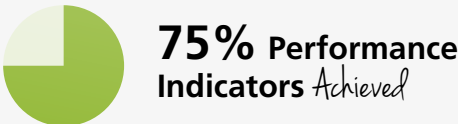


Snapshot 2012/13

During 2012/13 Council **invested \$2.81 million in the Culture** objective.



- 20%**
Major initiatives **completed**
- 80%**
Major initiatives **ongoing**
- 0%**
Major initiatives **in progress**
- 0%**
Major initiatives **not achieved**



Plan, facilitate, develop and maintain public infrastructure that strengthens the cultural vitality of the municipality.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Progress Council's decision in respect to the provision of a performing arts and convention centre for Latrobe City to enhance Latrobe City's cultural infrastructure and programs.	01/07/2012-30/06/2016 	Council resolved on 7 June 2010 to proceed with the development of a business case to clearly identify the costs of establishing a new Performing Arts and Convention Centre, whilst maintaining the current Performing Arts Centre in Traralgon. The Business Case was completed and subsequently adopted by Council at the 3 September 2012 Ordinary Council Meeting. Requests for State and Federal Government funding towards the project has commenced and draft concept designs and elevations completed to assist funding applications occurred. The project is planned to continue in 2013/14 dependent on funding.

Image: Traralgon Performing Arts Centre

Attract, promote and facilitate significant regional, national and international events to improve the liveability and sustainability of the municipality.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Develop the Latrobe City Events Strategy and Action Plan 2013-2017 and present to Council for consideration.	01/07/2012-30/06/2016 	<p>The 2013-2017 Events Strategy and Action Plan was adopted by Council on 17 September 2012 following an extensive community engagement program.</p> <p>The Events Strategy and Action Plan will facilitate the continued growth and long term sustainability of events in Latrobe City, guiding the involvement in events over the next four years. The Strategy and Action Plan identifies the means to continue to grow Latrobe City as a highly attractive and sustainable events destination and build the economic, community and City image outcomes achieved through events.</p>
Develop a Latrobe City Arts Strategy and Action Plan to inspire and enrich the lives of our community and visitors through a dynamic, accessible and diverse arts program.	01/07/2012-30/06/2014 	<p>The project is on track with phase one completed, including the development of a project brief.</p> <p>An application seeking funding was prepared for the State Government to support development of the strategy.</p> <p>A consultant will be appointed and the strategy developed and presented to Council during phase two of the project during 2013/14.</p>

Facilitate the growth and success of cultural programs, sporting and community events through active engagement, promotion and marketing.

Deliver marketing and promotional activities for events to increase participation and visitation to the region.	01/07/2012-30/06/2016 	<p>Event marketing clusters and promotional activities were delivered through the Calendar of Events and targeted marketing. For more on Events Highlights refer to page 14.</p> <p>Council officers continued to work closely with event organisers on strategies to minimise costs. The Visitor Information Centre continued promoting events for wider tourism benefits.</p> <p>Sponsorship packages have been developed providing local business the opportunity to leverage off significant events.</p>
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Foster greater awareness, understanding and respect for other cultures through the promotion of international relationships.






Deliver year two actions from the Latrobe City International Relations Plan 2011-2014 to enhance cultural and economic benefits.	01/07/2012-31/12/2014 	<p>Implementation of year two objectives and actions of the International Relations Plan occurred during 2012/13.</p> <p>Of the 41 actions identified in the Plan, 37 have been completed; the remaining four are ongoing actions and are progressing well.</p>
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Image (opposite page):
Drumming Circle, Morwell



Service Provision highlights for 2012/13:

- Delivered the 2013 Australia Day Ceremony and festivities, community groups played an active role and have been commended for their outstanding contribution to the day.
- Hosted nine international, 11 national, 17 state events and 25 significant community and cultural events.
- Provided many unique opportunities to engage through the Annual Performing Arts Performances program including working with the Melbourne Ballet Company, the first time that ballet has been presented in over 10 years at the Performing Arts Centre.
- Presented 36 diverse exhibitions: eight major touring exhibitions, twelve community groups or individual exhibitions; five children’s exhibitions; and ten exhibitions curated by gallery staff.
- Coordinated the Sports Exchange Program to China; Sister Cities Festival; and inbound Sports Exchange Programs from Japan in-line with the *International Relations Plan 2011-2014*.
- Managed Latrobe City public halls and venues with an increase of 16,000 visitors to the major venues and 6,000 visitors to the minor venues.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the number of people who attend Latrobe City Council Visual Arts Program events annually.	21,950	19,841	18,190	
Increase the number of people who attend Latrobe City Council Performing Arts Program events annually.	11,098	14,941	15,163	
<i>* Includes patrons attending Latrobe Performing Arts programming and community and commercial shows.</i>				
Increase the number of people who attend Latrobe City Councils cultural events including the Sister Cities Festival and Gippsland Multicultural Festival annually.	3,500	3,500	3,750	
Increase the annual economic benefits derived as a result of Latrobe City Council supporting significant events.	NA	NA	\$9.28 million	

** Economic benefits data for significant events was captured and reported on commencing in 2012/13. The total 2012/13 Economic Benefit was derived from 14 significant events where data was captured.*

RECREATION

Latrobe 2026 Community Vision

In 2026, Latrobe Valley encourages a healthy and vibrant lifestyle, with diversity in passive and active recreational opportunities and facilities that connect people with their community.

Snapshot 2012/13

During 2012/13 Council **invested \$15.77 million in the Recreation** objective.



- 50% Major initiatives **completed**
- 50% Major initiatives **ongoing**
- 0% Major initiatives **in progress**
- 0% Major initiatives **not achieved**



Image: Synthetic Hockey Pitch, Churchill



Assess and evaluate recreational trends and opportunities to address community aspirations for passive and active recreational activities.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Progress Council's decision in respect to the provision of an indoor aquatic facility in Traralgon to enable development of Latrobe City's recreational infrastructure.	01/07/2012-30/06/2016 	<p>Following a report being presented to Council in May 2011, and Council resolving a further report be prepared, a working party was developed comprising of key stakeholders to provide input into the project.</p> <p>During 2012/13 a concept plan and budget estimates were developed by a consultant.</p> <p>An Expression of Interest and formal application for Regional Development Australia Fund (RDAF) funding was submitted in April 2013 but was unsuccessful in the RDAF round four allocations announced by the Federal Government. Alternative funding options will be investigated.</p> <p>With the concept design adopted, progression of the project is now reliant on significant funding from the federal and state governments.</p>

Align open space requirements of the community with useable public open space.

Implement year two actions of the Latrobe City Council Playground Improvement Implementation Plan 2011-2016 to enhance social and health outcomes and improve local neighbourhood amenity.	01/07/2012-30/06/2013 	Year two actions were implemented in line with the Playground Replacement Implementation Plan including; installation of new equipment at Andrews Park West Churchill; Glendonald Park Churchill; and Apex Park Moe. The Glengarry Playground was reinstated following ground renovations and two playground removals were deferred following consultation with residents.
Finalise review of the Latrobe City Public Open Space Strategy to ensure accessible, connected and varied open space experiences continue to be provided for our community.	01/07/2012-30/06/2013 	The draft Public Open Space Strategy, developed during 2012, was released by Council for community consultation in September 2012. Public Exhibition of the draft strategy occurred between late October 2012 and December 2012. Submissions to the strategy were considered and the final Public Open Space Strategy was adopted by Council on 20 May 2013.

Continue to develop and enhance recreation and leisure facilities in order to attract and facilitate events of regional, national and international significance.




Complete funded works identified in the Latrobe Leisure Facilities Condition Assessment to ensure high quality aquatic and leisure facilities are provided for our community.	01/07/2012-30/06/2016 	All 2012/13 funded projects were completed during the year. Projects delivered include the roof replacement of court three at Moe/Newborough Leisure, and the construction of the emergency exit stairs at the Traralgon Basketball stadium.
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Image: Latrobe Leisure Churchill

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the number of visitors to Latrobe Leisure indoor facilities and outdoor pools annually.	375,282	401,595	405,289	

Increase overall customer satisfaction in the Latrobe City Council Sporting Reserves Survey.	NA	NA	NA	
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* Survey postponed to 2013/14 due to a request from users to conduct a sporting reserves forum to discuss current issues, potential funding opportunities and future direction.

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for Recreational Facilities in the annual Local Government Satisfaction Survey.	71	67	71	
Increase Latrobe City Council's indexed mean score for public areas appearance in the annual Local Government Satisfaction Survey.	69	67	72	

* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.

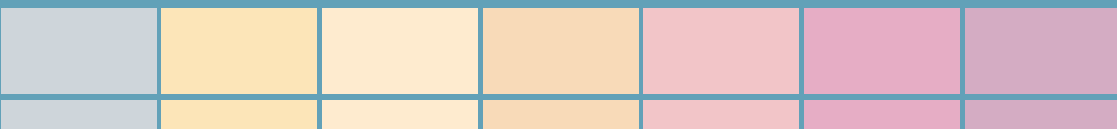
Service Provision highlights for 2012/13:

- Bookings at the International Hazelwood Traffic School increased by almost 20%, with 165 private functions and 41 educational sessions.
- Completed annual and monthly inspections, repaired equipment and reinstated soft fall of playgrounds in accordance with the Latrobe City Council Playground Strategy.
- Operated leisure facilities and delivered learn to swim, fitness and stadium programs with memberships slightly up from 2011/12 and total attendance remaining stable.
- Maintained 510 hectares of active and passive reserves and 90,000 m² of shrub and garden beds throughout Latrobe City.

GOVERNANCE

Latrobe 2026 Community Vision

In 2026, Latrobe Valley has a reputation for conscientious leadership and governance, strengthened by an informed and engaged community committed to enriching local decision making.



Snapshot 2012/13

During 2012/13 Council **invested \$13.52 million in the Governance** objective.



- ✓ 33% Major initiatives **completed**
- ➔ 33% Major initiatives **ongoing**
- ▶ 33% Major initiatives **in progress**
- ✗ 0% Major initiatives **not achieved**



Community Satisfaction Survey
Indicator *Trended lower*



75% Performance
Indicators *Achieved*

Implement the strategic objectives as detailed in the Council Plan, review it annually to ensure that it reflects community expectations and our commitments to financial responsibility.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Develop the Council Plan 2013-2017 and present to Council for consideration and submit to the Minister for Local Government within the legislated timeframe.	01/07/2012-30/06/2013 ✓	Following the general election and appointment of the new Council during November 2012, a new format Council Plan was developed. The new Council Plan established five themes, supported by objectives and strategic directions to be achieved over the next four years. The Council Plan, together with the Strategic Resources Plan, are Latrobe City Council's medium term planning document and are available to view on councils website. Following an exhibition period and the consideration of submissions by Council, the Council Plan 2013-2017 was adopted by Council on 24 June 2013.

Delegate appropriately and make sound decisions having regard to legislative requirements, policies, professional advice, sound and thorough research and the views of the community.

Review Council Delegations following the local government election for Latrobe City.	01/07/2012-30/06/2013 ▶	A review of Council Delegations commenced and is expected to be completed by October 2013 in accordance with the statutory requirements.
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Images (opposite): Latrobe City Council 2013/14 Budget, Council Plan 2013-2017 and Annual Report 2011/12



Image: Latrobe City Council staff

Provide regular reports on Council's performance including strategic objectives and Council's progress towards Latrobe 2026.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Prepare the Annual Report, submit to the Minister for Local Government and present to Council within the legislated timeframe.	01/07/2012-30/06/2016 	<p>The Annual Report 2011/12 was completed in accordance with the <i>Local Government Act 1989</i>, and was submitted to the Minister for Local Government within the legislated timeframe of 30 September 2012.</p> <p>Council's Audit Committee reviewed the Annual Report 2011/12 at its 4 September 2012 meeting and Council adopted the financial report at the Special Council meeting held on 10 September 2012. The financial statements including the standard and performance statements were certified by the Victorian Auditor General's office during September 2012.</p> <p>Latrobe City Council again received a bronze award for the 2011/12 Annual Report under the Local Government category in the 2013 Australasian Reporting Awards (ARA).</p>

Ensure that Latrobe City Council continues to meet the highest standards of financial probity and is financially sustainable.

Facilitate the development of the Annual Budget and present to Council for consideration.	01/07/2012-30/06/2016 	<p>A detailed consultation process was undertaken with councillors to develop the 2013/14 Budget. Consultation included six targeted workshops which concluded in the development of the draft budget which was presented to Council and released for public submissions in June 2013.</p> <p>Council will consider submissions to the budget during July 2013 with final adoption in August 2013. The release of the budget has been slightly delayed from previous years, however will still meet the Local Government statutory timeframes; a resulting benefit is the full alignment of the budget to the Council Plan 2013-2017.</p>
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Review Latrobe City Council policies to ensure that they reflect the aspirations of the community.

Facilitate the local government election for Latrobe City.	01/07/2012-30/06/2013 	<p>The Local Government elections for Latrobe City were held on 27 October 2012. The Latrobe City Council election was overseen by the Victorian Electoral Commission and voting was conducted via postal votes.</p> <p>The election resulted in nine councillors being elected to represent four wards; East, West, South and Central wards.</p>
Review the Council Policy Manual following the local government election for Latrobe City.	01/07/2012-30/06/2013 	<p>Council is required to review the policy manual following the election, this was originally planned to happen in the first six months post-election. However, in 2012 Council approved an amendment to the Council Policy Development Policy which allows Council more time to review the policy manual in greater detail.</p> <p>During the year, Council commenced the review with a number of new policies adopted, amendments to and revoking of policies occurring. All current policies are available on Council's website.</p>

- Service Provision highlights for 2012/13:
- Support services were provided to the nine elected councillors.
 - 45 candidates attended the six Citizenship Ceremonies delivered by Council.
 - Administered financial management, advice and services in accordance with accounting standards.
 - Maintained Council's property database, additional property valuation occurred to include non-rateable properties for the introduction of the Fire Services Property Levy in 2013/14.
 - Eleven Occupational Health and Safety (OHS) procedures and one framework were renewed and two new procedures adopted during the year.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Allow 22 opportunities annually for community members to present at the Ordinary Meetings of Council.	22	22	22	
* 22 Ordinary Council Meetings were delivered and supplemented by seven Special Council Meetings.				
Receive no qualifications by the Victorian Auditor General's Office for the annual audit of Latrobe City Councils financial accounts.	0	0	0	
* No qualifications received for 2011/2012 financial statements				
Complete 100% of internal audit committee recommendations within agreed timeframes.	67%	80%	100%	
Achieve 100% of Latrobe City Council Key Strategic Activities which are scheduled within the financial year.	90%	63.6%	66.7%	

* Six of Council's nine Key Strategic Activities were achieved during the year, for more refer to the Performance Statement page 178.

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for community consultation and engagement in the annual Local Government Community Satisfaction Survey.	54	50	57	

* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.



ADVOCACY AND PARTNERSHIPS

Latrobe 2026 Community Vision

In 2026, Latrobe Valley is supported by diversity of government, agency, industry and community leaders, committed to working in partnership to advocate for and deliver sustainable local outcomes.

Snapshot 2012/13

During 2012/13 Council **invested \$1.45 million in the Advocacy and Partnerships** objective.



- 0%** Major initiatives **completed**
- 91%** Major initiatives **ongoing**
- 9%** Major initiatives **in progress**
- 0%** Major initiatives **not achieved**

1

Community Satisfaction Survey Indicator Trended lower

66% Performance Indicators Achieved

Advocate on behalf of our community and its vision for a secure and sustainable future.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Advocate for the appointment of a State Minister for the Latrobe Valley region in response to the unique challenges and opportunities facing our community.	01/07/2012-30/06/2016 	Latrobe City Council verbally raised the issue with senior government representatives during 2012/13. No decision regarding an appointment has been received. Council will continue to advocate as opportunities present.

Actively build partnerships with other municipalities, government, industry and community agencies to deliver important services and projects, and ensure strong outcomes for our community.

Support implementation of the Gippsland Skills Action Plan and the Gippsland Skills and Industry Alliance to improve alignment of educational services and the needs of our workforce, business and industry (Supporting the Gippsland Regional Plan).	01/07/2012-30/06/2016 	Latrobe City Council has actively supported these initiatives through its involvement in the Industry Link Officer program and has maintained a strong working relationship with other Industry Link Officers and the Higher Education and Skills Group.
Lead components of the Gippsland Regional Plan development and implementation and provide regular progress reports to our community.	01/07/2012-30/06/2016 	Latrobe City Council is actively supporting the Gippsland Regional Plan, participating extensively in Gippsland Regional Plan discussions, particularly through the Low Carbon Economy Strategy Group.

Images (opposite page): Latrobe Regional Hospital, Loy Yang Power Station

Strengthen relationships with the Victorian and Australian Governments, to ensure that Latrobe City Council is positioned to take advantage of strategic initiatives and funding opportunities.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Advocate with State and Federal Governments for research and development of innovative uses of brown coal resources to be located in Latrobe City.	01/07/2012-30/06/2016 ➡	Latrobe City Council continues to advocate for research and development of innovative uses of brown coal to be located in Latrobe City. An announcement on the successful tenderers for the Advanced Lignite Demonstrator Program funding is expected during 2013/14. The program looks to develop pre-commercial demonstration scale, coal upgrading processes for raw lignite which would be a significant economic opportunity for the region.
Conduct quarterly briefing sessions with parliamentarians representing the municipal area to provide advice, promote and advocate for local and regional priorities.	01/07/2012-30/06/2016 ➡	Councillors and senior council officers represented Latrobe City Council at two state and federal parliamentarian briefings during 2012/13, as well as other scheduled meetings with local parliamentarians to provide advice and advocate for Latrobe City.



Provide regional leadership and strengthen partnerships on issues of importance to our community.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Lead the development of the Gippsland Low Carbon Economy Transition Plan and support the implementation of the broader <i>Gippsland Regional Plan</i> .	01/07/2012-30/06/2016 ➡	Latrobe City Council is actively participating in the Low Carbon Economy Strategy Group, with its Chief Executive Officer chair of the group and also through provision of secretariat support. The group meet regularly and are developing a work program. Investigation of funding opportunities for the project plan will occur in 2013/14.
Support the expansion of courses, student services and accommodation at Monash University Gippsland campus, Churchill (Supporting the <i>Gippsland Regional Plan</i>).	01/07/2012-30/06/2016 ➡	During the year, planning advanced for the introduction of a Master of Geomechanics and Geohydrology Course at the Churchill campus in 2014. A Master of Maintenance and Reliability Engineering had 40 enrolments in 2013. In partnership with GippsTAFE, planning continued for the introduction of a Degree in Control and Systems Engineering in 2015.
Support the Regional Cities Victoria (RCV) group to attract and retain population growth to regional cities.	01/07/2012-30/06/2016 ➡	Actively participated in RCV during 2012/13 with Latrobe City Council's Mayor and/or Chief Executive Officer attending six of the seven Regional Cities Victoria meetings held between July 2012 and June 2013. Additional meetings were held to discuss specific projects.
Support implementation of the Gippsland Tertiary Education Plan to enhance access, participation and attainment of tertiary education.	01/07/2012-30/06/2016 ➡	An 11 member Gippsland Tertiary Education Council was established during the year to work with local industry, education providers and local networks. A network of Technology Enabled Learning Centres is to be created across Gippsland.
Support the expansion of Latrobe Regional Hospital (LRH) to fulfil its role as Gippsland's regional specialist health service (Supporting the <i>Gippsland Regional Plan</i>).	01/07/2012-30/06/2013 ➡	A recommendation of the <i>Gippsland Regional Plan</i> is the expansion of LRH to fulfil its role as Gippsland's regional specialist health service. LRH applied for funding to Federal Government in 2012, under the Hospitals and Health Fund (HHF4) Initiative for \$65 million. The funding application was to enable expansion of the Emergency Department, provide new inpatient beds, expand the short stay unit, improve medical imaging, and to create a cardiac catheterisation laboratory. Works are reliant on funding and submissions have not been successful to date. In 2012/13 the major project focus at LRH has been the \$8 million redevelopment of the Allied Health department and expansion of the Gippsland Cancer Care Centre, which includes radiotherapy, chemotherapy and dialysis.

Image (opposite page): Gippsland Local Government Network Meeting, Peter Ryan MLA






Image: Latrobe City Council Headquarters


Build a strong image for Latrobe City which emphasise prosperity, liveability and a sense of self confidence and resilience within the community.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Develop a City Image Strategy to strengthen Latrobe City's profile as Gippsland's Regional City.	01/07/2012-30/06/2013 	A research and engagement phase, undertaken at the end of 2012, provided the basis for the development of a draft City Image Strategy. The draft Strategy was written in consultation with a Project Reference Group and outlines six objectives and the commitments required from Latrobe City Council in order to meet the overarching goal of raising the profile of Latrobe City. The draft strategy was presented to Council and has been deferred pending further consideration.

Service Provision highlights for 2012/13:

- Provided regular communications via a range of media outlets including the distribution of news releases, inclusion of the Council Noticeboard in Latrobe Valley Express and LINK.
- 19 'Have your say' pages on Council's website during 2012/13, sought input on the development of a range of strategies, plans and projects.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Latrobe City Council Mayor or Chief Executive Officer will attend 11 Gippsland Local Government Network meetings annually.	11	9	7	
Latrobe City Council Mayor or Chief Executive Officer will attend Six Regional Cities Victoria meetings annually.	6	6	6	
Number of media releases published to inform the community on Council services, initiatives and decisions annually.	207	156	156	

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for advocacy (lobbying on behalf of the community) in the annual Local Government Community Satisfaction Survey.	56	49	56	

* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.



Image: Latrobe City Council Pound

REGULATION AND ACCOUNTABILITY

Latrobe 2026 Community Vision

In 2026, Latrobe Valley demonstrates respect for the importance of rules and laws to protect people’s rights, outline obligations and support community values and cohesion.

Snapshot 2012/13

During 2012/13 Council **invested \$3.88 million in the Regulation and Accountability** objective.



0%
Major initiatives **completed**

0%
Major initiatives **ongoing**

100%
Major initiatives **in progress**

0%
Major initiatives **not achieved**

1 **Community Satisfaction** Survey
Indicator Trended *Lower*

50% Performance
Indicators *Achieved*

Monitor, review and enforce local laws and animal management practices that reflect community conditions and aspirations and support community cohesion.

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Finalise the review of the Domestic Animal Management Plan and present a draft Plan to Council for consideration.	01/07/2012-30/06/2013 	The draft Domestic Animal Management Plan was developed during 2012/13 and released for community consultation, ending on 17 June 2013. A final Domestic Animal Management Plan, incorporating community feedback, will then be presented for Council consideration in the second half of 2013.
Review Local Law No. 1 and present to Council for consideration, following the 2012 municipal election.	01/07/2012-30/06/2013 	The Review of Local Law No. 1 has commenced including initial workshops conducted with councillors. It is anticipated that a revised Local Law No. 1 will be adopted by Council by the end of 2013.
Review Local Law No. 2 and present to Council for consideration.	01/07/2012-31/12/2013 	Latrobe City Council participated in the second Local Government Professionals Better Practice Local Laws Program. A desktop review of Local Law No. 2 was undertaken during the year. Community consultation is planned between August and September 2013, with the project scheduled for completion by June 2014.

Service Provision highlights for 2012/13:

- Sourced and provided legal advice and services to the organisation.
- Delivered customer focused local law services, receiving and responding to over 8,000 requests for service, in accordance with legislative provisions.
- Inspected all properties in accordance with the *Municipal Fire Prevention Plan*.
- Maintained and made available for public inspection, a range of registers in accordance with the *Local Government Act 1989*.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase percentage of Freedom of Information requests processed within statutory timeframes.	100%	100%	100%	

* Ten applications were received and processed within the statutory timeframe.

Increase percentage of impounded dogs rehoused or returned to owners.	83%	80.4%	58.2%	
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LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for enforcement of local laws in the annual Local Government Community Satisfaction Survey.	67	63	68	

* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.

WHAT'S PLANNED for 2013-2017?



Elected in October 2012, Council in accordance with the *Local Government Act 1989* developed and submitted its Council Plan 2013-2017 to the Minister by 30 June 2013. This Council Plan identifies objectives and strategies that will shape the direction and priorities of our community over the next four years.

Council is committed to strengthening our role as one of Victoria's four major regional cities and Gippsland's commercial centre, and has identified five themes to guide Council's future direction.

COUNCIL PLAN 2013 - 2017

FIVE THEMES FOR THE NEXT 4 YEARS

- 01 Job creation and economic Sustainability
- 02 Appropriate, affordable and sustainable facilities, services and recreation
- 03 Efficient, effective and accountable governance
- 04 Advocacy for and consultation with our community
- 05 Planning for the future

The Council Plan is supported by the Strategic Resource Plan, which outlines the financial and non-financial resources required to achieve the Council Plan. It is also implemented through the Annual Budget and Action Plan, which outlines the Key Strategic Activities and actions to be undertaken each year to deliver on the Council Plan.



For a copy of the Council Plan 2013-2017, current Strategic Resources Plan or Annual Budget and Action Plan go to:
www.latrobe.vic.gov.au or call 1300 367 700.



Images (opposite page):
1. Moe Rail Precinct Revitalisation Project concept design,
2. Latrobe City Council Headquarters, 3. Traralgon Maternal and Child Health Centre, 4. Latrobe Regional Airport



- Organisational Excellence @ Latrobe
- Best Value Highlights
- Engaging with our Community
- Audit and Risk
- Committees
- Statutory Information
- Victorian Local Government Indicators

ORGANISATIONAL EXCELLENCE @ LATROBE

Organisational Excellence @ Latrobe is the tenth 'internal' strategic objective which supports our organisation to achieve the Council Plan. It highlights the importance of bringing our mission, values and behaviours to life and continuously striving to improve day-to-day service delivery. Consisting of five themes Direction, Relationships, Systems, Innovation and People - each theme defines how we demonstrate and achieve organisational excellence.



Setting our Direction

Our direction is shaped by Latrobe 2026, Council Plan, Business Plans and Performance Plans.

How we set our direction in 2012/13:

- Supported the Council Plan 2013-2017 development to achieve the best outcomes for Latrobe City over the next four years.
- Reviewed *Securing our Future* to support lobbying activities for a proactive transition to a low carbon future.
- Provided annual, monthly and quarterly reports to Council on the organisation's performance.
- Adopted seven strategies/plans including the Latrobe City Events Strategy and Action Plan 2013-2017 and Road Management Plan 2013-2017.
- Latrobe City Council Enterprise Agreement 2012-2015 was negotiated, submitted and approved by Fair Work Australia in August 2012.

Strengthening our Relationships

Strong relationships lead to productive partnerships and improved community engagement.

How we strengthened our relationships during 2012/13:

- Participated in Gippsland Local Government Network and Regional Cities Victoria Meetings.
- Continued use of social media channels including facebook and twitter.
- Launched Latrobe City Council's new website.
- Participated in two State and Federal Parliamentary Briefings.
- 19 'Have your say' pages on Council's website during 2012/13, sought input on the development of a range of strategies, plans and projects.
- Regular meetings with authorities and agencies initiated, including West Gippsland Catchment Management Authority, VicRoads and Gippsland Water.
- New look Developers' Forum and GippsPlan Forum promoting opportunities for improved developer/council officer relationships and networking between developers.

Systems support our needs

Our systems add value to all that we do.

How systems supported our needs in 2012/13:

- Provided on average 99% IT system availability to the organisation.
- Successfully implemented stage one of the telephony project and deployed and refined mobility solutions and procedures.
- Delivered 956 formal staff training sessions for staff across a wide range of system applications.
- Successfully implemented Office 2010 to the organisation.
- Continually monitored network integrity and implemented a backup regime to ensure recoverability of Council data.
- Progressed the move to electronic records with several key sections of Council transitioning, roll out is expected to continue across the organisation.

Innovation: working smarter

We are open to new ideas, challenge past practices and embrace innovation.

How we embraced innovation during 2012/13:

- Innovative ideas identified by staff through Learning and Development programs are included in internal newsletters on a regular basis.
- Frontline Leadership program participants presented over 10 innovative new workplace ideas to Council management for consideration.
- Over 180 staff were identified for outstanding service delivery, innovation or going above and beyond the call of duty.
- Implemented an electronic recruitment system, eRecruit, designed to improve efficiency, reduce paper-based processes and make position vacancies more readily accessible to the community.

Valuing our People

Our people work together in a spirit of honesty, teamwork and trust.

How we valued our people in 2012/13:

- Undertook annual performance reviews with staff to support delivery of projects and services, as well as identifying training and development opportunities.
- The Healthy Organisation Working Group (HOW) implemented a range of initiatives for staff including onsite Work Health Checks; promotion of mental health and stroke awareness; and support of stand-up workstations trials.
- Provided 144 Learning and Development program placements, including internal and external programs, a slight increase from 2011/12.
- A diverse range of programs and study opportunities are offered, from an introduction to leadership and technical skills development.
- Conducted an employee satisfaction survey with all staff to guide the development of a People Plan.
- Provide a broad range of career options and opportunities, culture of learning and innovation and flexible work/life options.





BEST VALUE Highlights

Latrobe City Council has implemented a range of initiatives and processes across the organisation which promote the Best Value principles. A requirement of the *Local Government Act 1989* is to report Council's progress to the community towards achieving Best Value principles and how this has been achieved.

The *Local Government Act 1989 208B Best Value Principles* are:

- all services provided by a Council must meet the quality and cost standards;
- all services provided by a Council must be responsive to the needs of the community;
- each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- a Council must achieve continuous improvement in the provision of services for its community;
- a Council must develop a program of regular consultation with its community in relation to the services it provides; and
- a Council must report regularly to its community on its achievements in relation to Best Value.

Implementing Best Value:

Latrobe City Council is achieving Best Value across a broad range of services and activities across the organisation, such as:

Healthy Together Latrobe (HTL)

A three year (until June 2015) initiative partnering Latrobe City Council, Latrobe Community Health Service, the Victorian Department of Health and "BE ACTIVE" grant from VicHealth.

HTL aims to improve people's health where they live, learn, work and play, to reduce health disparities within the local community. The focus will be on encouraging healthy eating, physical activity, and reducing smoking and harmful alcohol use.

61% of Latrobe City's schools and early childhood services have registered to participate in the Achievement Program. The Healthy Children Newsletter has been established and will be prepared per term. A total of 75 workplaces have been engaged in the HTL approach. Highlights this year included the Ministerial launch of HTL Latrobe, the Gippsland Occupational Health and Safety (OHS) breakfast event with more than 30 workplaces attending and power generators OHS networks agreeing to develop an industry wide workplace health strategy.

MAV Step Program - Improvement in Asset Management

Latrobe City Council continues to be actively involved in the Municipal Associations of Victoria (MAV) Step program for improvement in Asset Management.

Key improvements identified include the formation of an Asset Management Working Group; and review of the Asset Management Policy and Asset Management Strategy. The Asset Management Strategy will outline the activities required to advance asset management and will form the framework for a three year program of works.

Images (L to R): Latrobe Regional Gallery, Traralgon Maternal and Child Health, Children's Expo 2012

Latrobe City Municipal Public Health and Wellbeing Plan 2013 – 2017 development

232 stakeholders and community members participated in the 45 formal Municipal Public Health and Wellbeing engagement consultations.

A Latrobe City Health and Wellbeing data profile has been developed and an annual review and reporting process will be developed to ensure ongoing community engagement and involvement in the planning process.

Aged and Disability Service Quality Management Systems

In May 2013, Latrobe City Council's aged and disability services were externally audited against ISO Standard 9001 - Quality Management Systems and were found to be fully compliant.

National Quality Assessments

Early learning and care services received an achieved mark against National Quality Assessments newly implemented rating scale, with many achieving an exceptional mark.

Building Permit Audit Program

A program to audit building permits issued by private building surveyors was developed during the year. Approximately 5% of all building permits issued in Latrobe City were audited during the year and will continue into the future. This will ensure that the best possible outcomes are achieved for our rate-payers and that private building surveyors are held accountable.

Monthly Council Planning updates

Initiated monthly Council meeting updates to provide information on State Government activity and legislative changes, Local Policy Development and current development activity. It is an opportunity to provide informative and timely advice to councillors to support informed decision making.

Quality & Cost Measure

Snapshot:

This Annual Report contains a range of service provision statistics and Performance Indicators. In addition, a snapshot of Quality and Cost measures are provided here which promote the Best Value principles:

- 95%** of **Home and Community Care** clients were assessed for eligibility within seven days of initial contact as per Department of Health Guidelines.
- Customers wait an average of **51** seconds for their **call to be answered** by Council's Call Centre.
- The average cost is **\$47.50** per candidate to deliver the **Latrobe City Citizenship Ceremonies**.
- 91%** overall **customer satisfaction** of Council's responses to Infrastructure Maintenance reactive requests.
- 100%** overall satisfaction from participants who attended the annual **Latrobe City Children's Expo**
- 91% compliance with Environment Protection Authority** licence at the Latrobe City Hyland Highway Landfill.
- 7** Monthly and **4** Quarterly **Performance Reports** provided to management and Council.
- 94%** of families received contact from a **Maternal and Child Health nurse** following birth notification.
- 28%** of Latrobe City's population are **members of Council's Libraries**.
- 97%** of **rates** were collected by Latrobe City Council at the end of the financial year.
- There were a total of **208,605** page visits on **Latrobe City Council's website**.
- Participated in the Local Government **Community Satisfaction Survey** for the **16th** time.

* No comparison data is available. Quality and Cost standards were introduced in 2012/13.



ENGAGING WITH *Our Community*

Latrobe City Council facilitates an annual Youth Council program, providing an opportunity for local young people to meet regularly and express their views on issues that affect them and young people of Latrobe City. The program includes fortnightly meetings during school terms with the aim of increasing civic participation of local youth to develop their knowledge of issues which affect young people at a federal, state, local government and community level.

Youth Council

Latrobe City Council facilitates an annual Youth Council program. Appointed for the calendar year, participants attend fortnightly meetings during school terms. Participants are selected from a range of schools, towns and ages to ensure a diverse range of young people. It aims to increase civic participation of local youth and develop their knowledge of issues affecting young people at a federal, state, local government and community level.

- 11 participants in 2012
- 12 participants in 2013

Highlights for 2012/13 included participation in:

- 2012 Sister Cities Youth Council in Tasmania;
- Remembrance Day and ANZAC Day services with the Morwell RSL;
- Youth Info Card re-development;
- Australia Day services, including presenting the Young Australian of the Year Award; and
- discussion with Councillors on issues affecting youth.

Youth Council also provided input into Latrobe City Council projects including:

- Traralgon Activity Centre Plan;
- Morwell Skate Park; and
- Latrobe City Municipal Public Health and Wellbeing Plan.

Youth Leadership Program

The Youth Leadership Program aims to empower and build the capacity of young people through a nine month Leadership Program. It covers leadership styles, networking with community leaders and investigating career options.

- 17 participants in 2012
- 10 participants in 2013

The program included a visit to Monash University and Parliament House and covered a range of topics including:

- public speaking;
- introduction to leadership; and
- development of leadership styles.

In June 2013, the Youth Leadership Program visited the Hawthorn Football Club with the aim to show our youth the importance of developing strong leadership skills.

Have your say

Community engagement activities are promoted in a variety of ways at Latrobe City Council to ensure our community has the opportunity to get involved, including:

- the Council Notice Board, published in the Latrobe Valley Express;
- on the 'Have Your Say' section of Council's website; and
- through the Community Sounding Board, a new initiative that captures all community engagement that Council has on offer in a monthly bulletin.

During 2012/13 there were 19 'Have your say' pages on Council's website seeking input from the community on a range of strategies, plans and projects. Some of the initiatives included:

- Latrobe City Municipal Public Health and Wellbeing Plan;
- Latrobe City Council Draft Budget 2013/14;
- Draft Public Open Space Strategy;
- Proposed Leisure membership options;
- 2013 Employment and Industry Survey;
- Traralgon North Development Plan and Development Contribution Plan; and
- Draft Council Plan 2013-2017.

AUDIT & RISK



Image: Latrobe City Council Staff

Audit Committee

The Audit Committee's role is to assist Council in the effective conduct of financial reporting, management of risk, maintaining internal controls and facilitating ethical development.

The committee met five times during the year and is comprised of two independent external members, Mr Ron Gowland and Mrs Chris Trotman, and two councillors, Cr Darrell White and Cr Michael Rossiter, with Cr Kellie O'Callaghan as alternative. The Chief Executive Officer, General Manager Governance, Manager Finance and Manager Risk and Compliance also attend Audit Committee meetings.

During the year, the committee dealt with a range of activities including:

- internal audit program;
- 2013/14 Annual Budget;
- 2012/13 financial statements;
- risk management;
- outstanding debtors review;
- quarterly financial and performance reports, and mid-year review;
- monthly performance reporting; and
- strategic risk reporting.

Internal Audit Program

Latrobe City Council engages the services of RSM Bird Cameron to provide its internal audit services. A three year internal audit program has been established to review a range of internal functions of Council.

The following reviews were undertaken during the year:

- Cash Handling and Receipting Processes Review;
- Infringements and Permits Processes Review;
- Immunisation Management Review;
- Procurement and Accounts Payable Review; and
- Human Resources Management Review.

Insurance Audits

Latrobe City Council participates in an insurance scheme that is specific to Victorian local government. The scheme carries out audits of Council's risk management on a bi-annual basis. These are used for benchmarking of local government authorities across Victoria.

An audit of Latrobe City Council's public liability risk management was undertaken in February 2013, and a score of 82%, an increase from 73% at last review, was achieved.

Insurance

Latrobe City Council has a responsibility to ensure that the nature and extent of our insurance cover is adequate. Latrobe City Council has insurance policies covering:

- public liability;
- industrial special risk (i.e. property and art work) and business interruption;
- public/products liability;
- councillors and officers liability;
- motor vehicles;
- engineering risks;
- machinery and computer breakdown;
- hangar keeper's liability; and
- personal accident/corporate travel.

These insurances are reviewed annually and adjusted accordingly, having consideration for the associated risks, past history and the benefit of expert advice.

Latrobe City Council liaises regularly with its insurers regarding changes in legislation, court decisions and industry best practice. It manages public and property liability claims based on the framework and advice of its insurers.

Occupational Health, Safety and Wellbeing

Risk Management

The Risk Management Plan 2011-2014 sets out Council's commitment to risk management and is aligned to the risk management standard, AS/ISO 31000. It is applicable to the management of all risks facing the organisation including; financial, reputation, Occupational Health and Safety (OHS), personnel, environmental, and legislative.

Actions and initiatives implemented during 2012/13 include:

- quarterly risk project assurance group meetings;
- reviewed and improved frameworks, procedures and tools for staff;
- considered strategic, organisational and team risk registers as part of organisational business planning;
- improved consideration of risk across organisational processes including Council reports and business cases;
- continued involvement in risk networks and forums;
- review of insurance policies and participation in insurance audits;
- commenced a comprehensive review of council's Business Continuity Plan to ensure Council is in the best position to respond to a business disruption;
- handled insurance claims and renewals, including Council's property, motor vehicle, public liability and professional indemnity; and
- processing of public liability claims, including receipt of 162 reports/approaches, resulting in 35 claims, with 20 of those accepted (i.e. paid out).

WorkCover

The health and safety of employees continues to be a leading priority.

WORKCOVER	2011/12	2012/13
Standard claims	9	16
Minor claims	8	7
Claims closed	4	18
Total claims received	17	23

* Latrobe City Council's WorkCover Insurance premium for 2012/13 was \$927,574 which was an increase of \$244,781 compared with 2011/12.

Hazard Incident and Reporting

The Hazard and Incident Reporting and Investigation Procedure was updated in April 2012. Since the procedure's introduction there has been a significant increase in the reporting of near-misses, 35 compared to seven in the previous year. Reporting of near misses allows for Council to be proactive in preventing incidents. The number of lost time injuries in excess of one day has remained stable. There were no WorkSafe notifiable incidents in 2012/13.

HAZARD INCIDENT AND REPORTING	2011/12	2012/13	% CHANGE
Lost time injuries	16	16	0
Medical Treatment injuries	11	14	27
Non Lost Time injuries	33	48	45
Near Miss Reports	7	35	400
Reports Only (incidents without injuries and hazard reports)	28	31	11
Notifiable Incident	6	0	-100

OHS Highlights for 2012/13:

- WorkSafe week activities during October 2012.
- Onsite Work Health Checks with a total of 393 employees participating.
- Trial of stand-up workstations.
- OHS Cyclic Action Plan Procedure adopted.
- OHS essential training for managers and coordinators delivered.
- Emergency Preparedness Committee was established.
- WorkSafe issued five Improvement Notices which were actioned within the required timeframe.

COMMITTEES

Council (Special) Committees

COMMITTEE	REPRESENTATIVES
Latrobe Regional Airport Board	Cr Middlemiss <i>Alternative: Cr Kam</i>
The Yallourn North Community Housing Committee	Cr Middlemiss
Mayoral Sponsorship Committee	Mayor <i>Alternative: Deputy Mayor</i>

Operational (Works) Committees of Council

Callignee and Traralgon South Sporting and Facility User Group Committee	Cr Rossiter
Crinigan Bushland Reserve Committee of Management	Cr Middlemiss
Edward Hunter Heritage Bush Reserve Committee of Management	Cr Gibbons, Cr Gibson
Friends of the Traralgon Railway Reservoir Conservation Reserve Committee	Cr Harriman
Mathison Park Advisory Committee	Cr White
Morwell Centenary Rose Garden Advisory Committee	Cr Sindt <i>Alternative: Cr Middlemiss</i>
Ollerton Avenue Bushland Reserve Committee of Management	Cr Gibbons, Cr Gibson

Advisory Committees

Audit Committee (Pursuant to s.139 of the <i>Local Government Act 1989</i>)	Cr White, Cr Rossiter <i>Alternative: Cr O'Callaghan</i> <i>Attendance By Invitation: All Councillors</i>
Australia Day Advisory Committee	Cr Sindt, Cr White
Braiakaulung Advisory Committee	Cr O'Callaghan, Cr White
Chief Executive Officer Performance Review Committee	Mayor, Cr Gibson, Cr White, Cr Rossiter
Churchill & District Community Hub Advisory Committee	Cr White
City Image Strategy Project Reference Group	Cr Sindt <i>Attendance By Invitation: All Councillors</i>
Coal Land Use Planning Committee	Cr Gibbons, Cr Harriman, Cr Kam, Cr Middlemiss, Cr Gibson
Community Engagement Reference Group	Cr Gibbons, Cr Kam, Cr Rossiter
Disability Reference Committee	Cr O'Callaghan <i>Alternative: Cr Gibson</i>
Early Years Reference Committee	Cr O'Callaghan, Cr Sindt
Jumbuk and Yinnar South Timber Traffic Reference Group	Cr White, Cr Kam
Latrobe City Cultural Diversity Advisory Committee	Cr Gibbons, Cr Kam

Advisory Committees continued

COMMITTEE	REPRESENTATIVES
Latrobe City Hyland Highway Municipal Landfill Consultative Committee	Cr Harriman, Cr Gibbons
Latrobe City International Relations Committee	Cr Sindt, Cr White, Cr Gibbons
Latrobe Regional Gallery Advisory Committee	Cr Gibbons, Cr White
Latrobe Tourism Advisory Board	Cr Sindt, Cr White
Link Editorial Committee	Mayor, Cr Gibson, Cr Middlemiss
Morwell CBD Safety Group	Cr Sindt, Cr Middlemiss, Cr Kam
Morwell Town Common Development Plan Project Control Group	Cr Sindt, Cr Middlemiss
Municipal Emergency Management Planning Committee (Pursuant to sect. 21 of the <i>Emergency Management Act 1986</i>)	Cr Harriman, Cr Gibson <i>Alternative: Cr Sindt</i>
Oldsmobile Management Committee	Mayor
Positive Ageing Reference Group	Cr O'Callaghan, Cr Kam
Rail Freight Working Group	Cr Middlemiss, Cr Gibbons
Sale of Goods from Council Properties Committee	Cr Kam, Cr Gibson
Social Planning for Wellbeing Committee	Cr Kam
Traralgon Aquatic Facility Working Party	Cr Harriman <i>Attendance By Invitation: All Councillors</i>
Traralgon CBD Safety Committee	Cr Kam, Cr Rossiter
Traralgon East Community Centre Advisory Committee	Cr Rossiter <i>Alternative: Cr O'Callaghan</i>
Traralgon Parking Precinct Plan Working Group	Cr Harriman <i>Attendance By Invitation: All Councillors</i>
Victory Park Precinct Advisory Committee	Cr Kam, Cr Harriman
War Memorials Advisory Committee	Mayor
Warren Terrace Hazelwood North Recreation Reserve Advisory Committee	Cr Kam <i>Alternative: Cr O'Callaghan</i>

User Groups

COMMITTEE	REPRESENTATIVES
Latrobe City Lake Narracan User Group Committee	Cr Gibbons, Cr Gibson
Latrobe City Synthetic Sports Field User Group Committee	Cr White
Latrobe Leisure Churchill User Group	Cr White
Latrobe Leisure Moe Newborough User Group	Cr Gibbons, Cr Gibson
Latrobe Leisure Morwell User Group	Cr Sindt, Cr Middlemiss
Latrobe Leisure Traralgon Sports Stadium User Group	Cr Kam, Cr Harriman
Latrobe Regional Motorsport Complex User Group	Cr Gibson (Chair), Cr Middlemiss
Moe Southside Community Precinct User Group Committee	Cr Gibbons, Cr Gibson
Traralgon Recreation Reserve and Showgrounds User Group Committee	Cr Kam
Traralgon West Sporting Complex User Group Committee	Cr Kam



External Committees

COMMITTEE	REPRESENTATIVES
Alliance of Councils for Rail Freight Development	Cr Middlemiss <i>Alternative: Cr Gibbons</i>
Apprenticeships Group Australia Board	Cr White <i>Alternative: Cr Gibson</i>
Australian Paper Community Environmental Consultative Committee	Cr Middlemiss
Baw Baw Latrobe Local Learning & Employment Network Board	Cr Sindt
Gippsland Local Government Network (GLGN)	Mayor
Gippsland Regional Waste Management Group (GRWMG) Board	Cr Middlemiss <i>Alternative: Cr Gibbons</i>
Gippstown Reserve Committee of Management Inc.	By Invitation: Cr Gibbons <i>Alternative: Cr Gibson</i>
International Power Hazelwood Environmental Review Committee	Cr White
Latrobe Settlement Committee	Cr O'Callaghan, Cr Gibbons
Loy Yang Power Environmental Review Committee	Cr Sindt
Moe Yallourn Rail Trail Committee Inc.	West Ward Councillors: Cr Gibson and Cr Gibbons
Morwell River Neighbourhood Improvement Plan Steering Committee	Cr White
Municipal Association of Victoria (MAV)	Cr Harriman <i>Alternative: Cr Kam</i>
Regional Aboriginal Justice Advisory Committee (RAJAC)	Cr Gibson
Regional Cities Victoria	Mayor
Roadsafe Gippsland Community Road Safety Council	Cr Kam, Cr Gibson
South East Australian Transport Strategy (SEATS)	Cr Middlemiss <i>Alternative: Cr Gibbons</i>
Timber Towns Victoria	Cr Kam
Traralgon Creek Neighbourhood Improvement Plan Steering Committee	Cr Kam
TRU Energy Yallourn Environmental Review Committee	Cr Sindt
Victorian Local Governance Association (VLGA)	Mayor <i>Alternative: Deputy Mayor</i>
West Gippsland Catchment Management Authority – Central Catchment Ecosystem Advisory Group (CCEAG)	Cr Kam <i>Alternative: Cr Gibson</i>

Thank you to outgoing councillors Lisa Price, Bruce Lougheed and Ed Vermeulen who served between July 2012 and October 2012.

Image (opposite page): Lake Narracan



STATUTORY information

Documents for public inspection

In accordance with Section 11 of the *Local Government (Finance and Reporting) Regulations 2004*, the following documents are available for public inspection:

- current allowances fixed for the Mayor and councillors;
- details of Senior Officers' total salary packages for the current financial year and the previous year;
- overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by councillors or council officer in the previous 12 months;
- council officers required to submit a return of interest during the financial year;
- councillors who submitted a return of interest during the financial year;
- agendas and minutes of Ordinary and Special Council Meetings held in the previous 12 months;
- a list of all Special Committees established by Council and the purpose for which each committee was established;
- a list of all Special Committees established by the Council which were abolished or ceased to function during the financial year;
- minutes of Special Committees Meetings;
- register of delegations;
- submissions received in accordance with Section 223 of the Act during the previous 12 months;
- agreements to establish regional libraries;
- details of all property, finance and operating leases involving land, buildings, plant,

- computer equipment or vehicles entered into by the Council as lessor or lessee;
- a register of authorised officers;
- a list of donations and grants made by the Council during the financial year;
- organisations of which the Council was a member during the financial year; and
- a list of contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

Other documentation and registers available to the public include:

- The Councillor Reimbursement Policy (known as Provision of Resources and Support to Councillors Policy 11 POL-5);
- The Councillor Code of Conduct;
- Records of Assembly of Councillors;
- Register of Interests;
- Local Laws No. 1, No. 2 and No. 3;
- The Council Plan;
- The Strategic Resource Plan;
- The Annual Budget;
- The Annual Report including the Auditor's Report; and
- All adopted Council Policies.

In accordance with Section 222 of the *Local Government Act 1989*, inspection of these documents at Latrobe City Council's Corporate Headquarters, 141 Commercial Road, Morwell, can be arranged by contacting Latrobe City Council on 1300 367 700. A number of these documents are also available on Council's website.

Information Management

Freedom of Information

The *Freedom of Information Act 1982* gives the community the right to access certain Council documents. The Act has four basic principles:

- local governments are required to publish information about the documents they hold, particularly those which affect members of the public in their dealings with Council;
- each person has a legally enforceable right to access information, limited only by exemptions necessary for the protection of the public interest and the private and business affairs of persons from whom information is collected by Council;
- people may request inaccurate, incomplete, out of date or misleading information in their personal records be amended; and
- people may appeal against a decision not to give access to information or not amend a personal record.

During the 2012/13 financial year, Latrobe City Council received 23 requests to access information under the Freedom of Information legislation. This is 17 more than the previous year. Freedom of Information requests must be made in writing and accompanied by a \$25.10 application fee. A total of nine requests were made under the hardship provisions of the Act and no fee was charged.

Requests for access to information should be addressed to:

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

In accordance with the *Freedom of Information Act 1982*, Latrobe City Council must decide if this information will be provided within 45 days. Of the 23 requests received, all were processed within the statutory timeframe.

Information Privacy

Latrobe City Council is obliged to ensure the personal privacy of all residents and ratepayers in accordance with the *Information Privacy Act 2001*. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where required by law.

Council has adopted a Privacy Policy which can be obtained upon request. During the 2012/13 financial year, there were no complaints referred to the Privacy Commissioner and no breaches of the Act.

Charter of Human Rights and Responsibilities

Latrobe City Council is subject to the *Charter of Human Rights and Responsibilities Act 2006*. All Latrobe City Council policies have been adopted following proper consideration of all of the rights contained within the Act.

Protected Disclosures

The *Protected Disclosures Act 2012* has recently replaced the *Whistleblowers Protection Act 2001* in Victoria. The Act encourages and facilitates disclosures of wrongful acts by protecting those who disclose wrongful acts.

The Act relates to the behaviours and actions of council officers and councillors. A person is entitled to make a complaint pursuant to the Act by contacting the Independent Broad-based Anti-corruption Commission. During the 2012/13 financial year there were no disclosures made or referred to Latrobe City Council or the Ombudsman of Victoria under the *Whistleblowers Act 2001* or the *Protected Disclosures Act 2012*.

Latrobe City Council supports the aims and objectives of the Act, endorsing a framework applying to all of its employees. The Whistleblowers Operational Framework will be reviewed and updated in 2013/14 in accordance with the new Act.

Carers Recognition Act 2012

Latrobe City Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of the Act to people in care relationships who receive council services; to people in care relationships, and to the wider community by:

- distributing printed material through relevant council services;
- displaying posters at council community venues;
- providing links to state government resource materials on council's website; and
- providing information to organisations represented in council/community networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- council induction and training programs for staff working in home and
- community care and disability services;
- council induction and training programs for staff working in front-line positions with the general community; and
- induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

Disability Action Plan 2012/13

One of the goals of the Disability Action Plan is to initiate, or contribute to, projects and/or strategies to make Latrobe City the most liveable city in Victoria for people with a disability and their families.

The Disability Action Plan had 11 actions for 2012/13. Achievements included:

- involvement in the development of the Latrobe City Council People Plan to ensure equal and flexible opportunities for people with a disability to work for Council;
- delivery of three disability awareness sessions to leisure staff, raising awareness of good customer service and communication – it is anticipated in 2013/14 all Latrobe Leisure centres will be accredited with the Communication Access Symbol; and
- disability awareness training occurred with the service centre staff to raise awareness about emerging applications available which support people with a disability.



Images: 1. Meals on Wheels
2. Latrobe City Council Headquarters Scope Access Symbol
3. Moore St Preschool 4. Latrobe Leisure Churchill



VICTORIAN LOCAL GOVERNMENT INDICATORS

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators. These indicators are designed to quantify aspects of expenditure, the cost of service and infrastructure provision, customer satisfaction and governance. Latrobe City Councils results for the last three years are provided for comparison.

CATEGORY	VLGI #	DESCRIPTION	2010-11	2011-12	2012-13
COST OF GOVERNANCE	1	Average rates and charges per assessment	\$1,483	\$1,582	\$1,683
	2	Average residential rates and charges per assessment	\$1,159	\$1,250	\$1,346
SUSTAINABILITY	3	Average liabilities per assessment	\$1,484	\$1,642	\$1,651
	4	Operating result per assessment	\$442	\$169	\$256
SERVICES	5	Average operating expenditure per assessment	\$2,657	\$2,911	\$2,839
	6	Community satisfaction rating for the overall performance of Council	57	61	53
INFRASTRUCTURE	7	Average capital expenditure per assessment	\$900	\$625	\$653
	8	Renewal	99%	103%	96%
	9	Renewal and maintenance	99%	102%	98%
GOVERNANCE	10	Community satisfaction rating for the Council's advocacy and community representation on key local issues	58	56	49
	11	Community satisfaction rating for the Council's engagement in decision making on key local issues	50	54	50



- Financial Statements
- Standard Statements
- Performance Statement

FINANCIAL

FINANCIAL REPORT

This report shows how Council performed financially during the 2012/2013 financial year. It also provides the overall financial position of Council as at 30 June 2013.

Latrobe City Council presents this Finance Report in accordance with the Australian Accounting Standards, the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*. As the Council is a not-for-profit organisation, some terms used in the private sector are not appropriate for use with these statements.

Introduction

The Finance Report contains the following three sets of statements;

- Financial Statements
- Standard Statements
- Performance Statement

The statements and notes to the accounts are prepared by the Council's Finance Unit, audited by the Victorian Auditor General and examined by the Audit Committee and Council.

Financial Statements

Comprehensive Income Statement

The Comprehensive Income Statement shows:

- revenue sources by income category;
- expenses relating to Council operations, not including costs associated with capital purchases, construction and asset renewal. While capital expenditure costs are not shown, asset depreciation and amortisation is included; and
- other comprehensive income items (e.g. Asset Revaluation Reserve increments/decrements).

The key figure in this statement is the surplus or deficit for the year. A surplus indicates that revenue exceeded expenses.

Balance Sheet

The Balance Sheet is a summary of Council's financial position as at the 30 June 2013. It shows what Council owns as assets and what is owed in liabilities. Assets and liabilities are split into current and non-current items. Current items reflect those assets or liabilities that will fall due in the next 12 months. The 'Total Equity' line of this statement indicates the net worth of Council which has been accumulated over many years.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the 2012/2013 financial year indicating the net increase or decrease in cash held by Latrobe City Council. Values in this statement represent 'cash-in-hand' and may vary from the Income Statement and Balance Sheet which are prepared on an accrual basis.

Statement of Changes in Equity

This statement summarises the change in the net worth of Latrobe City Council. The net worth of Council can change as a result of:

- a surplus or deficit recorded in the Income Statement;
- use of money from Council reserves;
- an increase or decrease in the value of non-current assets based on revaluation of assets.

Notes to the Financial Statements

These notes provide detailed information to assist understanding of the financial statements including statement preparation procedures, significant Council accounting policies, and many summary figures underlying the values contained within the statements. Notes also provide information and detail that Council wishes to provide but cannot be included within the financial statements. Numbers associated with notes are shown beside the relevant items within the Financial Statements.



Standard Statements

Latrobe City Council is required to present audited Standard Statements of Income, Balance Sheet, Cash Flows and Capital Works in accordance with the *Local Government Act (1989)*. Each Standard Statement reports the difference between actual results for the financial year and the adopted Council budget that was established at the start of the financial year. Any major differences between the Financial Statements and the Standard Statements are explained within the notes.

These Standard Statements reflect the Financial Statements with the addition of the Capital Works Statement. The Statement of Capital Works provides details of Council expenditure on creating, purchasing, renewing and upgrading property, infrastructure, plant and equipment by asset category.

Performance Statement

The Performance Statement reports on the performance against the Key Strategic Activities identified in the 2012/2013 adopted Council budget. *Section 127 of the Local Government Act 1989* requires identification of key activities that will be pursued in support of the strategic objectives.

The Performance Statement reports on the outcome of these performance measures. The reported result is reviewed by the external auditors, with supporting evidence and data scrutinised to ensure accuracy of performance reporting.

Certification Reports

Certification of the Principal Accounting Officer is made by the Latrobe City Council Manager Finance who is responsible for the financial management of Council. The report certifies that in their opinion, the financial statements have met all statutory and professional reporting requirements.

Certification is also required by the Latrobe City Council Chief Executive Officer, and two Councillors on behalf of Council. Their reports certify that in their opinion, the financial statements are fair and not misleading.

Auditor General Report

The Independent Audit Report presents an external professional opinion on the financial statements. The report provides confirmation that the Finance Report has been prepared to comply with relevant legislation and professional standards, and provides a fair representation of Council finances.

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FINANCIAL STATEMENTS

COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$'000s	2012 \$'000s
INCOME			
Rates	2	62,637	58,762
Grants	3	30,044	35,386
User Charges	4	14,759	12,388
Other Income	5	4,479	4,544
Developer Cash Contributions	6	665	297
Developer Contributed Assets	7	2,150	1,971
Net gain(loss) on disposal of assets	18(b)/20(b)	(28)	196
Recognition of Previously Unrecognised Assets	20(a)	407	-
Total Income		115,113	113,545
EXPENSES			
Employee Costs	8	(46,563)	(51,098)
Materials & Services	9	(33,768)	(33,060)
Bad and Doubtful Debts	10	(4)	(31)
Depreciation	11	(20,004)	(18,526)
Finance Costs	12	(1,086)	(1,226)
Other Expenditure	13	(4,164)	(3,382)
Total Expenses		(105,590)	(107,322)
SURPLUS		9,523	6,222
OTHER COMPREHENSIVE INCOME			
Net Asset Revaluation increment	20(a)/26(a)	91,459	2,629
Impairment losses on Revalued Assets	20(a)/26(a)	-	(61)
Reversal of Impairment losses on Revalued Assets	20(a)/26(a)	61	-
TOTAL COMPREHENSIVE RESULT		101,043	8,790

The above statement should be read with the accompanying notes

BALANCE SHEET AS AT 30 JUNE 2013

	NOTE	2013 \$'000s	2012 \$'000s
CURRENT ASSETS			
Cash and Cash Equivalents	14	27,663	27,723
Prepayments	15	207	354
Trade and Other Receivables	16	6,293	7,359
Financial Assets	17	19,500	14,310
Non-current assets classified as held for sale	18(a)	-	743
Total Current Assets		53,662	50,490
NON-CURRENT ASSETS			
Trade and Other Receivables	16	26	46
Financial Assets	17	2	2
Property, Infrastructure, Plant and Equipment	20	1,029,689	931,399
Intangible Assets	21	261	304
Total Non-Current Assets		1,029,979	931,752
TOTAL ASSETS		1,083,641	982,242
CURRENT LIABILITIES			
Trade and Other Payables	22	16,695	7,974
Interest-bearing Liabilities	23	2,959	3,151
Provisions	24	12,492	12,059
Trust Funds and Deposits	25	2,043	1,520
Total Current Liabilities		34,188	24,704
NON-CURRENT LIABILITIES			
Trade and Other Payables	22	-	6,975
Interest-bearing Liabilities	23	11,427	13,386
Provisions	24	15,794	15,990
Total Non-Current Liabilities		27,221	36,350
TOTAL LIABILITIES		61,409	61,053
NET ASSETS		1,022,232	921,188
EQUITY			
Accumulated Surplus		620,526	611,558
Reserves	26	401,706	309,630
TOTAL EQUITY		1,022,232	921,188

The above statement should be read with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	TOTAL	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	OTHER RESERVES
		\$'000s	\$'000s	\$'000s	\$'000s
Equity at beginning of year		921,188	611,558	307,733	1,897
Surplus for the period		9,523	9,523	-	-
Net Asset Revaluation Increment	26(a)	91,459	-	91,459	-
Transfers to Other Reserves	26(b)	-	(665)	-	665
Transfers for Other Reserves	26(b)	-	110	-	(110)
Reversal of Impairment losses on Revalued Assets		61	-	61	-
Balance at end of the financial year		1,022,232	620,526	399,254	2,452

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	TOTAL	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	OTHER RESERVES
		\$'000s	\$'000s	\$'000s	\$'000s
Equity at beginning of year		912,398	605,630	305,165	1,603
Surplus for the period		6,222	6,222	-	-
Net Asset Revaluation Increment	26(a)	2,629	-	2,629	-
Transfers to Other Reserves	26(b)	-	(297)	-	297
Transfers for Other Reserves	26(b)	-	3	-	(3)
Impairment losses on Revalued Assets		(61)	-	(61)	-
Balance at end of the financial year		921,188	611,558	307,733	1,897

The above statement should be read with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$'000s Inflows (Outflows)	2012 \$'000s Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from ratepayers		62,471	58,240
Government Grants (inclusive of GST)		30,458	40,398
Interest received		1,773	1,654
User charges, fines and fees (inclusive of GST)		19,591	22,042
Developer Contributions		665	297
Payments to Employees		(46,008)	(48,454)
Payments to Suppliers (inclusive of GST)		(37,125)	(38,697)
Net Cash provided by Operating Activities	33	31,824	35,479
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment		(24,286)	(23,050)
Proceeds from sale of property, infrastructure, plant and equipment	20(b)	828	863
Payments for financial assets		(5,190)	(9,310)
Net Cash used in Investing Activities		(28,648)	(31,497)
CASH FLOW FROM FINANCING ACTIVITIES			
Finance Costs		(1,086)	(1,226)
Loan Funds		1,000	1,200
Repayment of Borrowings		(3,150)	(2,843)
Net Cash used in Financing Activities		(3,237)	(2,869)
Net Increase/(Decrease) in Cash and Cash Equivalents		(60)	1,113
Cash and Cash Equivalents at beginning of the Financial Year		27,723	26,609
Cash and Cash Equivalents at the end of the Financial Year	14	27,663	27,723

The above statement should be read with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

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

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

This financial report has been prepared on an accrual basis and going concern basis.

The financial report has been prepared under the historical cost convention except where specifically stated in notes 1(h) and 1(j).

Unless otherwise stated, all accounting policies are consistent with those of 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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. The Yallourn North Housing Committee is not included in this financial report based on their materiality.

(b) Change in accounting policies

No changes in accounting policy were implemented in the reporting period.

(c) Revenue Recognition

Rates, grants and contributions

Rates, grants, donations and contributions (including developer contributions), are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 3. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

NOTE 1 (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

User Fees and Fines

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment

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

Rental

Rentals are recognised as revenue when the payment is due, or the payment is received, whichever first occurs.

Interest

Interest is recognised as it is earned.

(d) Trade and other Receivables

Rate Debtors

Rates are carried at amortised cost plus interest and are secured by a charge over the ratepayer's property. A provision for doubtful rate debtors is not required due to the Council's extensive legal powers for recovery, unless the value of the specific property involved is less than the outstanding debt.

Other Debtors

Other debtors represent amounts due to Council for the provision of services, advances and accrued income. The carrying amount of non-rate debtors (including any loans made) has been assessed for recovery at year end and provision made for doubtful debts as deemed necessary. Recoverability of debtors is reviewed on an ongoing basis throughout the course of each financial year and debts which are known to be uncollectable are written off.

NOTE 1 (CONTINUED)
SIGNIFICANT ACCOUNTING POLICIES

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

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

Land, Land Under Roads and Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Artworks are not depreciated.

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

Major Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset Category	Depreciation/Amortisation Useful Life (Years) 2013
Building & Improvements	30 – 50
Furniture & Equipment	5 -10
Plant & Equipment	5
Drainage Works	50 – 70
Roads & Streets	7 – 73
Bridges	75
Playgrounds	11
Landfill Improvements	2 - 31
Intangible Assets - Software	5

Various sub-categories of furniture and equipment, plant and equipment, car parks and roads have different estimated useful lives and therefore attract different depreciation rates.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the date they are completed and held ready for use.

- (f) Repairs and maintenance**
Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.
- (g) Finance Costs**
Finance costs are recognised as an expense in the period in which they are incurred.

NOTE 1 (CONTINUED)
SIGNIFICANT ACCOUNTING POLICIES

- (h) Recognition and Measurement of Assets**
Acquisition
The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.

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

Capitalisation Thresholds
Capitalisation thresholds for all classes of assets, with the exception of Land, are as shown below which are consistent with prior year unless otherwise stated. Land including Land Under Roads has no capitalisation threshold.

Asset Type	Threshold \$
Property	
Buildings & Improvements	10,000
Plant and Equipment	
Furniture & Equipment	1,000
Plant and Equipment	1,000
Art Works Collection	500
Infrastructure	
Drainage Works	10,000
Roads & Streets	10,000
Bridges	10,000
Playgrounds	5,000
Intangibles	
Software	5,000

Revaluation
Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and office furniture and equipment are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets within land and buildings and infrastructure assets to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value the class of asset is revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation 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 extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads
Council recognises land under roads it controls at fair value. A revaluation is undertaken every 2 years.

NOTE 1 (CONTINUED)**SIGNIFICANT ACCOUNTING POLICIES****(i) Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(j) Financial Assets***Held-to-maturity investments***

Where council has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The held-to-maturity category includes certain floating rate note and variable coupon bond investments for which the entity intends to hold to maturity.

Term Deposits

Includes investments with original maturities of greater than three months.

(k) Investment

Investments are recognised and brought to account at their cost. Interest revenues are recognised as they accrue.

(l) Trade and Other Payables

Creditors and other current liabilities are amounts due to external parties for the purchase of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid within 30 days after initial recognition. Interest is not payable on these liabilities.

(m) Deposits and Retentions

Amounts received as tender deposits and retention amounts controlled by Council are included in the financial statements as liabilities until they are returned or forfeited.

(n) Employee Costs***Salaries and Wages***

Liabilities for wages and salaries are measured as the amount unpaid at balance date. Entitlements include oncosts that are calculated using employee remuneration rates as at balance date.

Long Service Leave

Long Service Leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long Service Leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long Service Leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth Bond Rates are used for discounting future cash flows.

Annual Leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave is expected to be paid within 12 months and is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

NOTE 1 (CONTINUED)**SIGNIFICANT ACCOUNTING POLICIES*****Classification of Employee Benefits***

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Superannuation

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees, together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are set out in Note 31.

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65%.

(o) Leases

All Council's leases are deemed to be "operating leases" as the lessor effectively retains substantially all of the risks and benefits incidental to ownership of the leased items. The related rentals are expensed as incurred. (refer to Note 29)

(p) Allocation between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(q) Agreements equally proportionately unperformed

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

(r) Web site costs

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

(s) Goods and Services Tax (GST)

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

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

(t) Impairment of Assets

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

NOTE 1 (CONTINUED)**SIGNIFICANT ACCOUNTING POLICIES****(u) Rounding**

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

(v) Non-Current Assets Classified as Held for Sale

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell and are not subject to depreciation. Non current assets 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 is expected to be completed within 12 months from the date of classification.

(w) Contingent assets and contingent liabilities and commitments

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

(x) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, where it is probable (more likely than not) that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

(y) Landfill Improvements Provision

Under legislation Council is obligated to rehabilitate landfill sites to a particular standard. Current engineering projections indicate that all current landfill sites will cease operation in 2027/28. The forecast for life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to restore the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

NOTE 1 (CONTINUED)**SIGNIFICANT ACCOUNTING POLICIES****(z) Pending Accounting Standards**

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date

PRONOUNCEMENT**AASB 9 Financial Instruments****What's New**

AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard was expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.

AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.

The new categories of financial assets are:

- Amortised cost those assets with 'basic' loan features'.
- Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).
- Fair Value through profit and Loss - everything that does not fall into the above two categories.

The following changes also apply:

- Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.
- There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.
- Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.

Impact/Action

The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.

This will also create a requirement to measure some instruments annually that has not previously existed.

Transition

Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions.

Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives

Effective Date

Periods beginning on or after 1 January 2015.

The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).

NOTE 1 (CONTINUED)**SIGNIFICANT ACCOUNTING POLICIES
PRONOUNCEMENT****AASB 10 Consolidated Financial Statements****What's New**

The standard introduces a single model of control, which is used to determine whether an investee must be consolidated.

The existence of control is determined based on:

- Power to direct the activities of an investee (irrespective of whether such power is exercised).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

Impact/Action

The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights.

While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries.

Transition

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

Effective Date

Periods beginning on or after 1 January 2013

PRONOUNCEMENT**AASB 11 Joint Arrangements****What's New**

AASB 11 classifies all joint arrangements as either joint operations or joint ventures:

- Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement.
- Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below).

Impact/Action

The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils.

Transition

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

Effective Date

Periods beginning on or after 1 January 2013

NOTE 1 (CONTINUED)**SIGNIFICANT ACCOUNTING POLICIES
PRONOUNCEMENT****AASB 12 Disclosure of Involvement with Other Entities****What's New**

AASB 12 requires the disclosure of information to enable users to evaluate:

- The nature of, and risks associated with, its interests in other entities.
- The effect of those interests on its financial position, financial performance, and cash flows.

AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:

- Significant judgments and assumptions, including how control, joint control, or significant influence has been determined.
- Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks.
- Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks.
- Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks.

Impact/Action

The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence.

In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.

Transition

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

Effective Date

Periods beginning on or after 1 January 2013

PRONOUNCEMENT**AASB 13 Fair Value Measurement****What's New**

AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:

- Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date.
- Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.

Impact/Action

The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place.

This standard may assist those councils that have equity investments that are no longer able to be held at cost.

Transition

Early adoption is permitted.

Effective Date

Periods beginning on or after 1 January 2013

NOTE 1 (CONTINUED)

**SIGNIFICANT ACCOUNTING POLICIES
PRONOUNCEMENT**

AASB 127 Separate Financial Statements

What’s New

AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements (see above). It now deals only with the preparation of separate company financial statements.

Impact/Action

Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost , or in accordance with AASB 9 Financial Instruments.

These changes are not expected to impact significantly on Councils

Transition

Early adoption is permitted, but AASB 10,AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

Effective Date

Periods beginning on or after 1 January 2013

PRONOUNCEMENT

AASB 128 Investments in Associates and Joint Ventures

What’s New

AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements.

The standard sets out how the equity method of accounting is to be applied, defines “significant influence,” and how impairment is to be tested for investments in associates or joint ventures.

Impact/Action

Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates.

These changes are not expected to impact significantly on Councils

Transition

Early adoption is permitted, but AASB 10,AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

Effective Date

Periods beginning on or after 1 January 2013

NOTE 2

RATES

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 total land and improvements value.

This valuation base was used to calculate general rates, excluding valuations for power generation companies and Australian Paper Maryvale Ltd:

The valuation base used to calculate general rates for 2012/2013 was \$9,801,839,000 (2011/2012 was \$8,880,702,000).

The applicable rates in the CIV dollar were:

	2013 \$	2012 \$
General	0.00421418	0.00431108
Farm	0.00316063	0.00323331
Recreation Land	0.00163615	0.00215554

This derived rate revenues of:

	2013 \$'000s	2012 \$'000s
Residential	31,754	29,660
Commercial/Industrial	6,253	5,785
Farm	2,627	2,629
Recreation Land	34	35
Rating Agreements/Payments in lieu of rates	8,549	8,433
Municipal Charge	4,227	4,014
Garbage Charge	8,658	7,726
EPA Victoria Landfill Levy	535	480
Total Rates	62,637	58,762

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating year commencing 1 July 2010.

NOTE 3

GRANTS

Grants were received in respect of the following:

	2013 \$'000s	2012 \$'000s
Summary of Grants		
Federally funded grants	3,101	3,485
State funded grants	26,893	31,827
Others	50	74
Total	30,044	35,386
Recurrent		
Victorian Grants Commission – General Purpose	8,635	11,432
Aged and Disability	4,126	3,969
Preschools	3,361	3,282
Victorian Grants Commission – Local Roads	2,304	2,901
Healthy Communities	1,165	421
Moe Rail Precinct Revitalisation	978	-
Family and Children Programs	898	607
Employment Facilitation Programs	837	406
Libraries	490	457
Maternal and Child Health	468	418
Other Recreation Facilities	441	750
Community Support and Development Programs	367	297
Natural Disaster Recovery	346	3,197
Economic Development	216	434
Enhanced Home Visiting Program	209	183
Family Day Care	158	187
Arts Programs	145	175
Rural Access Program	104	101
School Crossing Supervision	93	98
Environment	81	14
Health Programs	66	63
City Image Strategy	45	-
Fire Service Property Levy	39	-
Traralgon Activity Centre Plan and Growth Review	-	20
Tourism and Events	-	30
Other	34	256
Total Recurrent	25,606	29,698
Non-Recurrent		
Latrobe Regional Airport	1,712	-
Commonwealth Government - Roads to Recovery Program	1,689	1,035
Federal Blackspot Program (Vic Roads)	847	309
Other Recreation Facilities	280	993
Community Support and Development Programs	117	-
Landfill	4	252
Natural Disaster Recovery	(52)	478
Moe Rail Precinct Revitalisation	(160)	-
Moe Early Learning Centre Development	-	220
Moe Activity Centre Plan Development	-	1,395
Other Infrastructure Grants	-	1,006
Total Non-Recurrent	4,438	5,688

NOTE 3 (CONTINUED)

GRANTS

Conditions on Grants

Grants & Contributions recognised as revenue during the year and were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

	2013 \$'000s	2012 \$'000s
Recurrent		
Victorian Grants Commission – General Purpose	4,642	4,684
Victorian Grants Commission – Local Roads	1,211	1,184
Healthy Communities	924	308
Aged and Disability Programs	402	394
Moe Rail Revitalisation Project	397	-
Recreation	339	128
Family and Children Programs	296	576
Employment Facilitation Programs	252	127
Health and Immunisation	217	133
Community Support and Development Programs	98	90
Libraries	82	64
Economic Development	70	71
Natural Disaster Recovery	66	1,247
Environment	44	-
Fire Service Property Levy	29	-
Arts Programs	10	40
City Planning and Development	-	113
Other	6	5
Total Recurrent	9,086	9,163
Non-Recurrent		
Roads, Streets and Bridges	460	681
Other Infrastructure	30	-
Recreation	25	634
Natural Disaster Recovery	-	1,880
Moe Rail Revitalisation Project	-	507
Total Non-Recurrent	515	3,702
Total	9,601	12,865

NOTE 3 (CONTINUED)

GRANTS

Grants & Contributions which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

	2013 \$'000s	2012 \$'000s
Recurrent		
Victorian Grants Commission – General Purpose	4,684	2,300
Victorian Grants Commission – Local Roads	1,184	571
Natural Disaster Recovery	1,207	816
Family and Children Programs	603	621
Aged and Disability Programs	404	286
Healthy Communities	308	-
Employment Facilitation Programs	170	412
Health and Immunisation	130	68
Community Support and Development Programs	99	52
Economic Development	74	103
Libraries	52	29
Arts Programs	44	53
Recreation	38	9
City Planning and Development	11	6
Other	10	36
Total Recurrent	9,018	5,361
Non-Recurrent		
Moe Rail Revitalisation Project	887	418
Natural Disaster Recovery	846	9
Roads, Streets and Bridges	681	-
Recreation	199	-
Total Non-Recurrent	2,613	427
Total	11,631	5,788
Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year	(2,030)	7,077

NOTE 4

USER CHARGES

	2013 \$'000s	2012 \$'000s
Leisure Centres	2,865	2,759
Outdoor Pools	76	67
Child Care / Pre Schools	3,985	3,900
Aged Services	2,055	2,050
Recreation (Halls and Reserves)	339	368
Planning	529	447
Building Services	148	121
Health Services	354	378
Local Laws	960	1,061
Waste Services	2,976	885
Library Services	50	50
Debt Collections Recovery	236	153
Council Election Fines	88	-
Other Fees and Charges	98	149
Total User Charges	14,759	12,388

NOTE 5

OTHER INCOME

	2013 \$'000s	2012 \$'000s
Interest on Rates	511	454
Interest on Investments	1,778	1,646
Sales – Non Capital	13	6
Valuation Fees	27	151
Commissions	47	48
Property Rentals	741	797
Insurance Reimbursements	12	118
Fundraising	12	17
Sponsorship	100	90
Local Contributions	489	445
Donations	14	79
Merchandise Sales	591	555
Other	144	138
Total Other Income	4,479	4,544

NOTE 6**DEVELOPER CASH CONTRIBUTIONS**

	2013 \$'000s	2012 \$'000s
Street Lighting	-	3
Public Open Space	79	81
Drainage Headworks	72	116
Street Trees	16	12
Future Roadworks	199	85
Development Plan	299	-
Total Developer Cash Contributions	665	297

NOTE 7**DEVELOPER CONTRIBUTED ASSETS**

	2013 \$'000s	2012 \$'000s
Roads	870	759
Bridges	-	173
Drains	176	536
Footpaths	452	371
Kerb and Channel	175	121
Land	467	-
Land Under Roads	14	11
Total Developer Contributed Assets	2,150	1,971

NOTE 8**EMPLOYEE COSTS**

	2013 \$'000s	2012 \$'000s
Salaries and Wages	35,969	32,897
Long Service Leave	872	2,572
Annual Leave	3,492	3,222
Superannuation	3,528	3,171
Superannuation – additional call*	-	6,975
Other OnCosts	1,308	1,137
Fringe Benefits Tax and Workcover Levy	1,394	1,124
Total Employee Costs	46,563	51,098

*During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet its obligations in relation to members of the defined benefit plan.

NOTE 9**MATERIALS AND SERVICES**

	2013 \$'000s	2012 \$'000s
Contract Payments	15,129	14,314
Plant Hire	958	1,018
Utilities	2,888	2,411
Building Maintenance	1,194	1,156
Equipment Maintenance	682	669
IT Consumables/ Communications	1,779	1,620
Family Day Care	1,323	1,524
Consultancy	1,438	2,157
Vehicle Expenses	1,280	1,336
Other Materials	7,097	6,856
Total Materials and Services	33,768	33,060

NOTE 10**BAD AND DOUBTFUL DEBTS**

	2013 \$'000s	2012 \$'000s
Other Debtors	4	31
Total Bad and Doubtful Debts	4	31

NOTE 11**DEPRECIATION AND AMORTISATION EXPENSES**

	2013 \$'000s	2012 \$'000s
Building and Improvements	3,668	3,527
Furniture and Equipment	691	691
Intangible Assets	87	60
Playground Improvements	70	62
Plant and Equipment	1,601	1,572
Roads, Streets and Bridges	9,712	9,510
Drainage Works	1,332	1,326
Landfill Improvements	2,842	1,778
Total Depreciation Expenses	20,004	18,526

NOTE 12**FINANCE COSTS**

	2013 \$'000s	2012 \$'000s
Interest on Borrowings	1,086	1,226
Total Finance Costs	1,086	1,226

NOTE 13

OTHER EXPENDITURE

	2013 \$'000s	2012 \$'000s
Auditors Remuneration	77	86
Councillors Allowances	264	262
Operating Lease Rentals	163	170
Grants & Contributions	1,162	1,102
Levies	1,125	470
Advertising & Promotion	562	639
Insurances	811	653
Total Other Expenditure	4,164	3,382

NOTE 14

CASH AND CASH EQUIVALENTS

	2013 \$'000s	2012 \$'000s
Cash on Hand	19	19
Cash at Bank	6,334	629
Money Market at call accounts	-	7,075
Short Term Deposits	21,310	20,000
Total Cash and Cash Equivalents	27,663	27,723

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Trust funds and deposits (Note 25)	2,043	1,520
Reserve funds allocated for specific future purposes	2,453	1,898
Unexpended Grants (Note 3)	12,329	14,359
Restricted Funds (Note 19)	16,825	17,777

Total Unrestricted Cash and Cash Equivalents	10,838	9,946
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NOTE 15

PREPAYMENTS

	2013 \$'000s	2012 \$'000s
Registrations	112	102
Software Maintenance and Support	59	212
Memberships and Subscriptions	19	24
Other	17	16
Total Prepayments	207	354

NOTE 16

TRADE AND OTHER RECEIVABLES

	2013 \$'000s	2012 \$'000s
Current		
Child Care	112	92
Family Day Care	53	60
Home Care / Maintenance / Meals on Wheels	214	285
Rates *	2,172	1,989
Government Grants and Subsidies	1,104	1,965
Accrued Interest	288	282
Staff Advances	9	9
Pre Schools	20	11
Health Registrations	-	-
Advances to Community Groups/ Vendor Term Loans	24	25
Pension Claim	365	706
Latrobe Regional Airport Projects	44	40
Landfill	466	253
Other	727	1,219
Net GST Receivable	748	489
Provision for Doubtful Debts	(53)	(66)
Total Current	6,293	7,359

* Rates are payable by four instalments during the year or by lump sum in February. Arrears attract interest, currently at the rate of 10.5% per annum.

Non-Current		
Advances to Community Group/ Vendor Term Loans	26	46
Total Non-Current	26	46

Total Trade and Other Receivables	6,319	7,405
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NOTE 17

FINANCIAL ASSETS

	2013 \$'000s	2012 \$'000s
Current		
Variable Coupon Bond investments	-	2,500
Floating Rate Note investments	-	500
Term Deposits with a maturity term > 90 Days	19,500	11,310
Total Current	19,500	14,310
Non-Current		
MAPS Group Ltd. Shares	2	2
Total Non-Current	2	2
Total Financial Assets	19,502	14,312

NOTE 18**(a) NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

	Carrying Amount 30/06/2012	WDV T'fer Assets Held For Sale	WDV Disposals	Carrying Amount 30/06/2013
ASSET CLASS	\$'000s	\$'000s	\$'000s	\$'000s
Land	190	(190)	-	-
Building and Improvements	553	(553)	-	-
Total Fixed Assets	743	(743)	-	-

(b) GAIN/(LOSS) ON DISPOSAL OF ASSETS HELD FOR SALE

	Land \$'000s	Properties \$'000s	Total 2013 \$'000s	Total 2012 \$'000s
Proceeds of Sale	-	-	-	170
Book Vale	-	-	-	135
Gain/(Loss) on Sales	-	-	-	35

NOTE 19**RESTRICTED ASSETS****Cash**

Council has cash and cash equivalents (Note 14) that are subject to restrictions as at the reporting date. Council has legislative restrictions in relation to non discretionary reserve and grant funds, together with cash held for trust funds and deposits

	2013 \$'000s	2012 \$'000s
Restricted Cash Assets		
Street Lighting Reserve (1)	13	13
Off Street Parking Contributions (1)	230	230
Drainage Contributions (1)	732	736
Playground/ Public Open Space Contributions(1)	384	304
Tree Planting Contributions (1)	218	237
Future Roadwork (1)	578	378
Development Contribution Plan (1)	298	-
Trust Funds and Deposits (Note 25)	2,043	1,520
Unexpended Grants & Contributions (Note 3)	12,329	14,359
Total Restricted Cash Assets	16,825	17,777

(1) Funds required to be spent on projects for which contributions have been received.

NOTE 20**PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

	2013 \$'000s	2012 \$'000s
Summary		
Property, Plant and Equipment		
At fair value	1,241,847	1,101,911
At Cost	75,122	81,907
Less Accumulated Depreciation	(287,281)	(252,420)
Total Property, Plant and Equipment	1,029,689	931,399
Land (1)		
• at independent valuation 2013 (2010)	201,546	168,506
• at cost	-	686
Total Land	201,546	169,192
Buildings and Improvements (1)		
• at independent valuation 2013 (2010)	178,844	157,054
• at cost	-	26,197
	178,844	183,251
Less Accumulated Depreciation	-	(6,693)
Total Buildings and Improvements	178,844	176,558
Furniture and Equipment (3)		
• at cost	6,020	5,327
Less Accumulated Depreciation	(4,143)	(3,454)
Total Furniture and Equipment	1,877	1,874
Plant and Equipment (3)		
• at cost	12,333	10,884
Less Accumulated Depreciation	(4,837)	(4,449)
Total Plant and Equipment	7,496	6,435
Drainage Works (2)		
• at Council valuation 2013 (2010)	152,177	134,910
• at cost	-	1,920
	152,177	136,830
Less Accumulated Depreciation	(60,188)	(52,893)
Total Drainage Works	91,989	83,937
Land Under Roads (6)		
• at Council valuation 2012	17,104	17,090
Total Land Under Roads	17,104	17,090
Roads, Streets and Bridges (2)		
• at Council valuation 2013 (2010)	708,413	601,318
• at cost	-	25,964
	708,375	627,283
Less Accumulated Depreciation	(207,413)	(177,221)
Total Roads, Streets and Bridges	500,962	450,062

NOTE 20 (CONTINUED)**PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

	2013 \$'000s	2012 \$'000s
Landfill Improvements (5)		
• at Council valuation 2012	20,785	18,751
Less Accumulated Amortisation	(9,700)	(6,858)
Total Landfill Improvements	11,086	11,893
Playground Improvements (2)		
• at Council valuation 2013 (2010)	1,963	1,386
• at cost	-	212
	1,963	1,598
Less Accumulated Depreciation	(999)	(852)
Total Playground Improvements	964	746
Art Collection (4)		
• at Council valuation 2011	2,896	2,896
• at cost	37	12
Total Art Collection	2,933	2,909
Works in Progress – at cost		
• Furniture and Equipment	517	34
• Buildings and Improvements	6,667	4,610
• Roads, Streets and Bridges	4,432	1,949
• Playgrounds	222	30
• Landfill Improvements	3,052	4,081
Total Works in Progress	14,889	10,704
Total Property, Plant and Equipment	1,029,689	931,399

- (1) Land (excluding land under roads) has been stated at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Buildings and Improvements have been stated at fair value on the basis of written down replacement cost as at 30 June 2013. Valuations were carried out by:
- CJA Lee Property – Valuers and Consultants (Registration number: 61902)
- (2) Roads, Streets and Bridges, Playground improvements and Drainage assets have been valued on the basis of written down replacement cost, using the Greenfield approach, by Council's Engineering staff. The majority of the assets have been valued as at 30 June 2010 with additions since that time being added at valuation. As at the 30 June 2013 an indexation factor of 11% has been applied to the 2010 valuations, 7.5% to 2011 additions and 3.5% to 2012 additions. These indexation values have been calculated by Council's Infrastructure Planning staff with reference to the Construction Index (Rawlinsons Australian Construction Handbook 2012 Edition, Melbourne).
- (3) Plant and Equipment and furniture and equipment have been stated at cost.
- (4) Art collection has been valued at market value by an independent art valuer as at 30 June 2011. Valuations were carried out by:
- Guy Abrahams – Approved Valuer, Australian Government Cultural Gifts Program
 - Lesley Kehoe Galleries
- (5) Landfill Improvements has been valued at the expected whole of life cost for required improvement works by council's Coordinator Landfill Services.
- (6) Land under roads is valued at fair value. Fair value is based on Council valuations at 1 January 2012 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. The valuation has been undertaken by council's finance and infrastructure staff

NOTE 20 (CONTINUED)
(a) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

2013

ASSET CLASS	Carrying Amount 30/06/2012 \$'000s	WDV T'fer Assets Held for Sale (Note 18) \$'000s	Recognition of Previously Unrecognised Assets*	Additions 2012/2013 \$'000s	WDV Disposals Note 20(b) \$'000s	Depreciation Expenses (Note 11) \$'000s	Revaluation Increment/ (Decrement) \$'000s	Carrying Amount 30/06/2013 \$'000s
Land	169,192	190	554	519	-	-	31,091	201,546
Buildings and Improvements	176,558	553	(370)	1,791	-	(3,668)	3,980	178,844
Furniture and Equipment	1,874	-	-	704	(10)	(691)	-	1,877
Plant and Equipment	6,436	-	324	3,178	(841)	(1,601)	-	7,495
Drainage Works	83,937	-	-	292	-	(1,332)	9,092	91,989
Land Under Roads	17,090	-	-	14	-	-	-	17,104
Roads, Streets and Bridges	450,062	-	(101)	13,419	-	(9,712)	47,295	500,963
Landfill Improvements	11,893	-	-	2,035	-	(2,842)	-	11,086
Playground Improvements	746	-	-	231	(5)	(70)	63	964
Art Collection	2,908	-	-	24	-	-	-	2,933
Works in Progress	10,704	-	-	4,185	-	-	-	14,889
Total Property, Infrastructure, Plant and Equipment	931,400	743	407	26,392	(856)	(19,916)	91,521	1,029,689

*During the year, as part of a continuous improvement focus, information flowing from officers in the field now conveys more accurate data to Asset Managers, together with Council's revaluation procedures, identified variances. These variances resulted in assets being recognised and derecognised in the Council's asset register during the year. As the amounts are not considered material, in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, these variances have not been retrospectively adjusted.

NOTE 20 (CONTINUED)
(a) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

2012

ASSET CLASS	Carrying Amount 30/06/2011 \$'000s	WDV T'fer Assets Held for Sale \$'000s	Additions 2011/2012 \$'000s	WDV Disposals (Note 20(b)) \$'000s	Depreciation Expenses (Note 11) \$'000s	Revaluation Increment/ (Decrement) \$'000s	Carrying Amount 30/06/2012 \$'000s
Land	169,019	(75)	248	-	-	-	169,192
Buildings and Improvements	170,483	(80)	9,744	-	(3,528)	(61)	176,558
Furniture and Equipment	1,881	-	683	-	(691)	-	1,874
Plant and Equipment	6,645	-	1,894	(531)	(1,572)	-	6,436
Drainage Works	84,593	-	670	-	(1,326)	-	83,937
Land Under Roads	14,450	-	11	-	-	2,629	17,090
Roads, Streets and Bridges	445,450	-	14,122	-	(9,510)	-	450,062
Landfill Improvements	13,166	-	505	-	(1,778)	-	11,893
Playground Improvements	692	-	116	-	(62)	-	746
Art Collection	2,896	-	12	-	-	-	2,908
Works in Progress	13,502	-	(2,798)	-	-	-	10,704
Total Property, Infrastructure, Plant and Equipment	922,776	(155)	25,207	(531)	(18,467)	2,568	931,400

NOTE 20 (CONTINUED)

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

Details of fixed asset sales during the year were as follows:

	Playgrounds \$'000s	Plant \$'000s	Furniture and Equipment \$'000s	Total 2013 \$'000s	Total 2012 \$'000s
Proceeds of Sales	-	825	3	828	693
Sales Expenses	-	-	-	-	-
Net Proceeds	-	825	3	828	693
Book Values	(5)	(841)	(10)	(856)	(531)
Gain/(Loss) on Disposals	(5)	(16)	(7)	(28)	162

NOTE 21

INTANGIBLE ASSETS

	Software \$'000s
Gross Carrying Amount	
Balance at 1 July 2011	468
Additions 2011/2012	319
Balance at 30 June 2012	788
Additions 2012/2013	44
Balance at 30 June 2013	832
Accumulated Amortisation and Impairment	
Balance at 1 July 2011	(423)
Amortisation Expense 2011/2012	(60)
Balance at 30 June 2012	(483)
Amortisation Expense 2012/2013	(87)
Balance at 30 June 2013	(571)
Net Book Value at 30 June 2012	304
Net Book Value at 30 June 2013	261

NOTE 22**TRADE AND OTHER PAYABLES**

	2013 \$'000s	2012 \$'000s
Current		
Payables	14,927	6,340
Accrued Salaries and Wages	1,766	1,631
Accrued Loan Interest	2	3
Total Current	16,695	7,974
Non-Current		
Payables	-	6,975
Total Non-Current	-	6,975
Total Trade and Other Payables	16,695	14,949

NOTE 23**INTEREST-BEARING LIABILITIES**

	2013 \$'000s	2012 \$'000s
Current		
Borrowings – Secured	2,959	3,151
	2,959	3,151
Non-Current		
Borrowings – Secured	11,427	13,386
	11,427	13,386
Total Interest-Bearing Liabilities	14,386	16,536

All borrowings are secured over Council's Rate Revenue.

The maturity profile for Council's borrowing is:

Within 12 months	2,959	3,151
Later than 1 year but not later than 5 years	8,711	9,466
After 5 years	2,716	3,919
	14,386	16,536

NOTE 24**PROVISIONS**

	Annual Leave (a)	Long Service Leave (a)	Landfill Improvements (b)	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Balance at beginning of the financial year	3,563	7,896	16,589	28,048
Additional provisions	3,504	1,463	193	5,160
Amounts Used	(3,360)	(632)	(367)	(4,359)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(563)	-	(563)
Balance at the end of the financial year	3,707	8,164	16,415	28,286

	Annual Leave (a)	Long Service Leave (a)	Landfill Improvements (b)	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Balance at beginning of the financial year	3,318	5,810	16,572	25,700
Additional provisions	3,249	1,269	820	5,338
Amounts Used	(3,004)	(570)	(1,308)	(4,882)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	1,387	505	1,892
Balance at the end of the financial year	3,563	7,896	16,589	28,048

(a) Employee Provisions

	2013 \$'000s	2012 \$'000s
Current (i)		
Annual Leave	3,707	3,563
Long Service Leave	6,758	6,488
	10,465	10,051
Non-Current (ii)		
Long Service Leave	1,406	1,408
	1,406	1,408
Aggregate carrying amount of employee benefits		
Current	10,465	10,051
Non-Current	1,406	1,408
	11,871	11,459

NOTE 24 (CONTINUED)

PROVISIONS

The following assumptions were adopted in measuring the present value of employee benefits

Weighted average increase in employee costs	4.50%	4.31%
Weighted average discount rates	3.24%	3.01%
Weighted average settlement period	12	12

(i) Current

All annual leave and long service leave entitlements representing 7 or more years of continuous service

Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value	4,307	4,163
Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	6,158	5,888
	10,465	10,051

(ii) Non-Current

Long Service Leave representing less than 7 years of continuous service measured at present value	1,406	1,408
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(b) Landfill Improvements

	2013 \$'000s	2012 \$'000s
Current – Landfill Improvements	2,027	2,008
Non-Current – Landfill Improvements	14,388	14,581
Provision at the end of the reporting period	16,415	16,589

NOTE 25

TRUST FUNDS AND DEPOSITS

	2013 \$'000s	2012 \$'000s
Contracts and Sundry Deposits	2,043	1,520
Total Trust Funds and Deposits	2,043	1,520

NOTE 26

RESERVES

(a) Asset Revaluation Reserve

	Balance at beginning of reporting period		Increment/ (decrement)		Balance at end of reporting period	
	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s
Land	128,963	128,963	31,091	-	160,054	128,963
Buildings and Improvements	85,567	85,628	3,980	(61)	89,547	85,567
Land Under Roads	6,319	3,690	-	2,629	6,319	6,319
Plant and Equipment	14	14	-	-	14	14
Roads, Streets and Bridges	48,990	48,990	47,295	-	96,285	48,990
Drainage	37,152	37,152	9,092	-	46,244	37,152
Playgrounds	-	-	63	-	63	-
Artworks	727	727	-	-	727	727
Total	307,732	305,164	91,521	2,568	399,253	307,732

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

(b) Other Reserves

	2013 \$'000s	2012 \$'000s
Developer Contributions		
Balance at beginning of reporting period	1,898	1,604
Transfer from accumulated surplus	(110)	(3)
Transfer to accumulated surplus	665	297
Balance at end of reporting period	2,453	1,898
Total Reserves	401,706	309,630

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

NOTE 27

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Council has been served with an unquantified claim under the Water Act 1989 in relation to the Morwell Land Movement. Council will be defending this claim in the Victorian Civil and Administrative Tribunal and the Supreme Court in the 2013-2014 financial year and as this matter is yet to be finalised, and as the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Council has varying obligations for the rehabilitation of five former landfill sites, estimated costs associated with undertaking these works have been included in the balance sheet provisions, however there is still some uncertainty around the Environmental Protection Agency (EPA) requirements, which could lead to additional costs that cannot currently be reliably measured.

NOTE 27 (CONTINUED)**Contingent Assets**

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance. These assets are brought to account as revenue and capitalised.

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon Council issuing a Statement of Compliance.

Due to the nature of the arrangements in place and the assets involved, a contingent asset cannot be reliably measured prior to completion.

**NOTE 28
COMMITMENTS**

At the reporting date, the council had entered into the following commitments:

	Not Later than 1 Year	Later than 1 Year and Not Later than 2 Years	Later than 2 Years and Not Later Than 5 Years	Later than 5 Years	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Operating					
Garbage Collection	2,815	2,899	9,231	1,632	16,577
Street Sweeping	343	353	182	-	877
Meals on Wheels	315	190	-	-	505
Public Convenience Cleaning	168	-	-	-	168
Website and Intranet Development	47	-	-	-	47
Green Waste Acceptance and Processing	770	793	1,658	-	3,221
Transfer Station Operations	906	934	2,972	-	4,812
Materials Recovery Facility - Recycling	49	50	159	-	258
Emergency Management	56	-	-	-	56
	5,469	5,2180	14,202	1,632	26,521
Capital Construction					
Roads, Streets and Bridges	2,334	-	-	-	2,334
Recreation	2,208	-	-	-	2,208
Latrobe Regional Airport	259	-	-	-	259
Buildings and Improvements	226	-	-	-	226
Telecommunications Solution Replacement	174	-	-	-	174
	5,201	0	0	0	5,201

NOTE 28 (CONTINUED)**COMMITMENTS****2012**

	Not Later than 1 Year	Later than 1 Year and Not Later than 2 Years	Later than 2 Years and Not Later Than 5 Years	Later than 5 Years	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Operating					
Garbage Collection	2,652	2,732	8,696	4,658	18,738
Litter Collection	400	103	-	-	503
Street Sweeping	334	344	537	-	1,215
Meals on Wheels	207	-	-	-	207
Public Convenience Cleaning	164	-	-	-	164
E-Recruitment Management System	26	26	26	-	79
Cleaning Contracts for Council Buildings	567	-	-	-	567
Recreation	96	-	-	-	96
Traralgon Growth Area Review and Activity Centre Plan	64	-	-	-	64
Website and Intranet Development	44	-	-	-	44
Green Waste Acceptance and Processing	755	778	2,476	-	4,008
Transfer Station Operations	906	934	2,972	1,051	5,863
Materials Recovery Facility - Recycling	53	55	174	61	343
	6,268	4,971	14,881	5,770	31,890
Capital Construction					
Landfill Improvements	325	149	34	-	508
Roads, Streets and Bridges	2,825	-	-	-	2,825
Moe Rest Station	333	-	-	-	333
Aircraft Production Hanger	1,243	-	-	-	1,243
	4,725	149	34	-	4,909

NOTE 29**OPERATING LEASES**

At the reporting date, the municipality had the following obligations under non-cancellable operating leases. (These obligations are not recognised as liabilities):

	2013 \$'000s	2012 \$'000s
Not Later than one year	80	108
Later than one year and not later than five years	370	356
Later than five years	1,210	1,285
	1,660	1,749

NOTE 30
EVENTS OCCURRING AFTER BALANCE DATE

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

NOTE 31
SUPERANNUATION

Latrobe 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. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Latrobe City Council and the Latrobe City Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are due.

Accumulation

The Fund's accumulation category, 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 2013, this was 9% required under Superannuation Guarantee legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25%, and will progressively increase to 12% by 2019.

Defined Benefit

The Fund's Defined Benefit category is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated to each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Latrobe City Council does not use defined benefit accounting for these defined benefit obligations.

Latrobe 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. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Latrobe City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011/12).

In addition, Latrobe 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 (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

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

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

NOTE 31 (CONTINUED)
SUPERANNUATION

Shortfall Amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Latrobe City Council is a contributing employer. Latrobe City Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012.

Latrobe City Council has not been advised of any further adjustments.

The projected value of Latrobe City Council's contribution to the shortfall at 30 June 2012 (excluding contributions tax) amounted to \$5.928 million which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Costs (Note 8) and in the Balance Sheet in Current Liabilities Trade and Other Payables (Note 22).

No further amount has been accounted for in the 2012/13 Comprehensive Operating Statement within Employee Costs (Note 8) and in the Balance Sheet in Trade and Other Payables (Note 22).

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Latrobe City Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

The amount of the unpaid shortfall at 30 June 2013 is \$5.928 million plus contributions tax (\$5.928 million plus contributions tax for 2011/12). This unpaid amount is included in the Balance Sheet in Current Liabilities Trade and Other Payables (Note 22).

Retrenchment Increments

During 2012-13, Latrobe City Council was not required to make payments to the Fund in respect of retrenchment increments (Nil in 2011/12).

Accrued Benefits

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

	31-Dec-2011 \$'000s
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

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

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

NOTE 31 (CONTINUED)
SUPERANNUATION
Superannuation Contributions

Contributions by Latrobe City Council to the above superannuation plans for the financial year ended 30 June 2013 are detailed below:

	2013 \$'000s	2012 \$'000s
Defined Benefit Plans		
Employer contributions paid to Local Authorities Superannuation Fund (Vision Super)	476	475
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	6,975
	476	7,450
Accumulation Funds		
Employer contributions paid to Accumulation Funds	2,645	2,334
Employer contributions payable to Accumulation Funds at reporting date	407	363
	3,052	2,697

NOTE 32
RELATED PARTY TRANSACTIONS
(i) Responsible Persons

Names of persons holding the position of Responsible Person at the Latrobe City Council during the reporting period are:

		From	To
Councillors:	Lisa Price	01/07/12	29/10/12
	Bruce Loughheed	01/07/12	29/10/12
	Ed Vermeulen	01/07/12	29/10/12
	Darrell White	01/07/12	30/06/13
	Graeme Middlemiss	01/07/12	30/06/13
	Sandy Kam	01/07/12	30/06/13
	Kellie O'Callaghan	01/07/12	30/06/13
	Sharon Gibson	01/07/12	30/06/13
	Dale Harriman	01/07/12	30/06/13
	Michael Rossiter	31/10/12	30/06/13
	Christine Sindt	31/10/12	30/06/13
	Peter Gibbons	31/10/12	30/06/13
Chief Executive Officer:	Paul Buckley	01/07/12	30/06/13

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands;

	2013 No.	2012 No.
Income Range		
<\$20,000	5	2
\$20,000 - \$29,999	5	6
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	-	2
\$50,000 - \$59,999	1	-
\$290,000 - \$299,999	-	1
\$300,000 - \$309,999	1	-
Total	13	11

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

	2013 \$'000s	2012 \$'000s
Total Remuneration for Responsible Persons	571	538

NOTE 32 (CONTINUED)
RELATED PARTY TRANSACTIONS

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130,000 (2011/12 \$127,000).

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

	2013 No.	2012 No.
Income Range		
<\$130,000	-	4
\$130,000 - \$139,999	10	6
\$140,000 - \$149,999	3	-
\$190,000 - \$199,999	-	4
\$200,000 - \$209,999	3	2
\$210,000 - \$219,999	2	-
Total	18	16

Total remuneration for the reporting period for senior officers included above, amounted to:

	2013 \$'000s	2012 \$'000s
Total Remuneration for Senior Officers	2,807	2,517

(iv)

No Retirement benefits have been paid by the Council in connection with the retirement of Responsible Persons of the Council. (2011/12: \$Nil)

(v)

No Loans have been made, guaranteed or secured by the Council to a Responsible Person of the Council during the reporting period. (2011/12: \$Nil)

(vi) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons (2011/12, \$Nil). All transactions entered into with Related Parties of such Responsible Persons occurred under normal customer conditions no more favourable than those available in similar arm's length transactions.

NOTE 33
NOTES TO THE CASH FLOW STATEMENT

	Inflows/ (Outflows)	Inflows/ (Outflows)
	2013 \$'000s	2012 \$'000s
Reconciliation of cash flows from operating activities to profit		
Surplus for the Period	9,523	6,222
Depreciation and Amortisation	20,004	18,526
Finance Costs	1,086	1,226
Loss on Sale of Property, Plant and Equipment	28	(196)
Recognition of Previously Unrecognised Assets	(407)	-
Developer Contributions for Contributed Assets	(2,150)	(1,971)
Changes in Assets and Liabilities:		
(Increase)/decrease in Trade and Other Receivables	1,086	2,928
Increase/(decrease) in Trade and Other Payables	1,747	(674)
(Increase)/decrease in Prepayments	147	619
Increase/(decrease) in Provisions	237	8,818
Increase/(decrease) in Contract and Security Deposits	523	(19)
Net Cash provided by Operating Activities	31,824	35,479

NOTE 34

FINANCIAL INSTRUMENTS

(a) Accounting Policy, Terms and Conditions

Recognised Financial Instrument	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and Cash Equivalents	14	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. -Investments and Bills were valued at cost -Investments are held to maximise interest returns of surplus cash. -Interest revenues are recognised as they accrue.	Cash at Bank and At call deposits returned a floating interest rate of 3.04% (3.37% in 2011/2012). The interest rate at balance date was 2.69% (3.37% in 2011/2012). Funds returned fixed interest rates of between 4.15% (3.40% in 2011/2012), and 6.05% (6.87% in 2011/2012) net of fees.
Trade and Other Receivables	16	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.	General debtors are unsecured and arrears attract an interest rate of 10.5% (10.5% in 2011/2012). Credit terms are based on 30 days.
Financial Assets – Held to maturity	17	Variable coupon bonds and floating rate notes are measured at amortised cost using the effective interest method, less any impairment losses. -Investments and Bills were valued at amortised cost using the effective interest method. -Investments are held to maximise interest returns of surplus cash. -Interest revenues are recognised as they accrue.	Variable coupon bond of \$2.5 million matured on 31 October 2012. The floating rate note of \$0.5 million matured on 14 December 2012. Funds returned fixed interest rates of between 4.20% (5.45% in 2011/2012), and 4.70% (6.05% in 2011/2012) net of fees.
Financial Liabilities			
Trade and Other Payables	22	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest Bearing Liabilities	23	-Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. -Interest is accrued over the period it becomes due and is recognised as part of payables	Borrowings are secured by way of mortgage over the general rates of the Council. The weighted average interest rate on borrowings is 7.11% during 2012/2013 (7.15% in 2011/2012)
Bank Overdraft		Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. Council has a \$1M overdraft facility. It is secured by a mortgage over Council's general rates and is repayable on demand. No overdraft was utilised during 2012/2013 or 2011/2012.

NOTE 34 (CONTINUED)

FINANCIAL INSTRUMENTS

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rate of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

2013

	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	More than 5 Years	Non-Interest Bearing	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Financial Assets						
Cash and Cash Equivalents	6,334	21,310	-	-	19	27,663
Financial Assets	-	19,500	-	-	-	19,500
Trade and Other Receivable	-	-	-	-	3,416	3,416
Total Financial Assets	6,334	40,810	-	-	3,435	50,579
Weighted Average Interest Rates	3.04%	4.32%	-	-	-	-
Financial Liabilities						
Trade and Other Payables	-	-	-	-	16,695	16,695
Trust Funds and Deposits	-	-	-	-	2,043	2,043
Interest-Bearing Liabilities	-	2,959	8,710	2,717	-	14,386
Total Financial Liabilities	-	2,959	8,710	2,717	18,738	33,124
Weighted Average Interest Rates	-	6.89%	7.30%	6.76%	-	-
Net Financial Assets (Liabilities)	6,334	37,851	(8,710)	(2,717)	(15,303)	17,455

2012

	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	More than 5 Years	Non-Interest Bearing	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Financial Assets						
Cash and Cash Equivalents	629	27,075	-	-	19	27,723
Financial Assets	-	14,310	-	-	-	14,310
Trade and Other Receivable	-	-	-	-	4,928	4,928
Total Financial Assets	629	41,385	-	-	4,947	46,961
Weighted Average Interest Rates	3.05%	5.12%	-	-	-	-
Financial Liabilities						
Trade and Other Payables	-	-	-	-	14,949	14,949
Trust Funds and Deposits	-	-	-	-	1,520	1,520
Interest-Bearing Liabilities	-	3,151	9,466	3,919	-	16,536
Total Financial Liabilities	-	3,151	9,466	3,919	16,469	33,005
Weighted Average Interest Rates	-	6.74%	7.19%	7.40%	-	-
Net Financial Assets (Liabilities)	629	38,234	(9,466)	(3,919)	(11,522)	13,956

NOTE 34 (CONTINUED)

FINANCIAL INSTRUMENTS

(c) Net Fair Value

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

	Total Carrying Amount as per Balance Sheet		Aggregate Net Fair Value	
	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s
Financial Assets				
Cash and Cash Equivalents	27,663	27,723	27,663	27,723
Financial Assets	19,500	14,310	19,500	14,310
Trade and Other Receivable	3,416	4,928	3,416	4,928
Total Financial Assets	50,579	46,961	50,579	46,961
Financial Liabilities				
Trade and Other Payables	16,695	14,949	16,695	14,949
Trust Funds and Deposits	2,043	1,520	2,043	1,520
Interest-Bearing Liabilities	14,386	16,536	14,386	16,536
Total Financial Liabilities	33,124	33,005	33,124	33,005

(d) Risk and Mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market Risk

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

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. We manage interest rate risk on our net debt portfolio by:

- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

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

- conformity with State and Federal regulations and standards,
- adequate safety,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

NOTE 34 (CONTINUED)

FINANCIAL INSTRUMENTS

Credit Risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 27.

Movement in Provision for Doubtful Debts

	2013 \$'000s	2012 \$'000s
Balance at the beginning of the year	66	70
New Provisions recognised during the year	23	57
Amounts already provided for and written off as uncollectible	(15)	(33)
Amounts provided for but recovered during the year	(21)	(28)
Balance at the end of the year	53	66

Ageing of Trade and Other Receivables

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

	2013 \$'000s	2012 \$'000s
Current (not yet overdue)	2,314	3,206
Past due by up to 30 days	616	1,393
Past due between 31 and 60 days	100	143
Past due between 61 and 90 days	28	58
Past due by more than 90 days	358	128
	3,416	4,928

NOTE 34 (CONTINUED)
FINANCIAL INSTRUMENTS

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 financial assets at all.

To help reduce these risks we:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

The table below lists the contractual maturities for Council's Financial Liabilities.

These amounts undiscounted gross payments including both principal and interest amounts.

	6 Months	6-12	1-2	2-5	>5	Total	Carrying
	or Less	Months	Years	Years	Years	Amount	Amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade and Other Payables	16,695	-	-	-	-	16,695	16,695
Trust Funds and Deposits	2,043	-	-	-	-	2,043	2,043
Interest-Bearing Liabilities	2,055	1,832	3,334	7,333	2,941	17,495	14,386
	20,793	1,832	3,334	7,333	2,941	36,233	33,124

	6 Months	6-12	1-2	2-5	>5	Total	Carrying
	or Less	Months	Years	Years	Years	Amount	Amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade and Other Payables	7,974	-	6,975	-	-	14,949	14,949
Trust Funds and Deposits	1,520	-	-	-	-	1,520	1,520
Interest-Bearing Liabilities	2,119	2,118	3,759	8,154	4,294	20,444	16,536
	11,613	2,118	10,734	8,154	4,294	36,913	33,005

(e) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Commonwealth Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year end rates of 2.75%. (2011/12 3.50%)

The statement below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year end, if the above movements were to occur.

Based on a market interest rate (AUD) at year end of 2.75% (2011/12 3.50%) a parallel shift of +1% will result in an increase of \$63K (2011/12 \$6.29K) in operating surplus and equity and accordingly a parallel shift of -2% would have resulted in a decrease of \$126K and (2011/12 \$12.58K) in operating surplus and equity on those balances subject to floating interest rates.

NOTE 35
AUDITOR'S REMUNERATION

	2013	2012
	\$'000s	\$'000s
Audit Fee to conduct External Audit – Victorian Auditor-General	58	59
Internal Audit Fees	66	46
	124	105

Image: Latrobe Regional Airport



NOTE 36
INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY

2013

	TOTAL	Executive Office	Economic Sustainability	Organisational Excellence	Recreation, Culture and Community Infrastructure	Community Liveability	Governance	Other
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Income								
Grants	30,044	3	297	1	2,323	12,527	100	14,793
Other	85,069	2	3,606	9	7,360	7,485	1,225	65,382
Total Income	115,113	5	3,903	10	9,683	20,012	1,325	80,175
Expenses	105,590	1,227	9,797	5,065	25,331	26,532	8,909	28,729
Surplus (deficit) for the year	9,523	(1,222)	(5,894)	(5,055)	(15,648)	(6,520)	(7,584)	51,446
Assets attributed to Function/Activities *	1,083,641	463	30,804	913	888,448	108,925	1,761	52,327

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

NOTE 36 (CONTINUED)
INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY

	TOTAL	Executive Office	Economic Sustainability	Organisational Excellence	Recreation, Culture and Community Infrastructure	Community Liveability	Governance	Other
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2012								
Income								
Grants	35,386	-	448	4	3,541	11,216	125	20,052
Other	78,159	4	1,516	12	6,681	7,586	983	61,377
Total Income	113,545	4	1,964	16	10,222	18,802	1,108	81,429
Expenses	107,322	1,125	9,380	4,730	24,150	25,155	8,456	34,326
Surplus (deficit) for the year	6,222	(1,121)	(7,416)	(4,714)	(13,928)	(6,353)	(7,348)	47,102
Assets attributed to Function/Activities *	982,242	507	25,472	727	809,193	96,900	1,363	48,081

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

NOTE 36 (CONTINUED)

INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY

EXECUTIVE OFFICE

This division is responsible for the management of council operations and chief executive office functions.

ECONOMIC SUSTAINABILITY

This division is responsible for investment facilitation, tourism and Latrobe Regional Airport activities and natural environment sustainability including the management of waste services.

ORGANISATIONAL EXCELLENCE

This division is responsible for people management and development, corporate strategy and information services.

RECREATION, CULTURE & COMMUNITY INFRASTRUCTURE

This division is responsible for recreational and cultural activities, infrastructure operations such as the maintenance of buildings, roads, drains and parks and gardens, transit cities and the management of capital projects. It is also responsible for cleansing services such as street and footpath sweeping and cleaning of public conveniences.

COMMUNITY LIVEABILITY

This division is responsible for the provision of family and children services programs including preschool, childcare and maternal and child health. Community Liveability is also responsible for community wellbeing programs including home care, meals on wheels ADASS and environmental health. This division also manages community information services including libraries, service centres and local laws. Community capacity building programs are also part of this division's responsibility.

GOVERNANCE

This division is responsible for council operations and legal counsel, financial management, community relations, risk management, statutory and strategic planning and building services.

OTHER

Other includes the Victoria Grants Commission general purpose grants and rate revenue together with expenditure that is not attributable to any other division.

NOTE 37

FINANCIAL RATIOS

	2013	2013	2012	2012	2011	2011
	\$'000s	%	\$'000s	%	\$'000s	%

(i) Debt Servicing Ratio

(to identify the capacity of Council to service its outstanding debt)

Debt Servicing Cost	1,086	=	0.94%	1,226	=	1.08%	1,375	=	1.22%
Total Revenue	115,113			113,545			112,927		

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(ii) Debt Commitment Ratio

(to identify a Council's debt redemption strategy)

Debt Servicing & Redemption Costs	4,237	=	6.76%	4,069	=	6.92%	4,053	=	7.43%
Rate Revenue	62,637			58,762			54,547		

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(iii) Revenue Ratio

(to identify a Council's dependence on non-rate income)

Rate Revenue	62,637	=	54.41%	58,762	=	51.75%	54,547	=	48.30%
Total Revenue	115,113			113,545			112,927		

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

(iv) Debt Exposure Ratio

(to identify a Council's exposure to debt)

Total Indebtedness	61,409	=	13.87%	61,053	=	15.08%	54,066	=	13.80%
Total Realisable Assets	442,882			404,902			391,715		

For the purpose of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 19) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:
Land and buildings on Crown land; restricted assets; heritage assets and total infrastructure assets.

The ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage to total liabilities for each dollar of realisable assets.

NOTE 37 (CONTINUED)**FINANCIAL RATIOS**

	2013 \$'000s	2013 %	2012 \$'000s	2012 %	2011 \$'000s	2011 %
--	-----------------	-----------	-----------------	-----------	-----------------	-----------

(v) Working Capital Ratio

(to assess a Council's ability to meet current commitments)

Current Assets	53,662		50,490		43,575	
Current Liabilities	34,188	= 1.57:1	24,704	= 2.04:1	22,455	= 1.94:1

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(vi) Adjusted Working Capital Ratio

(to assess a Council's ability to meet current commitments)

Current Assets	53,662		50,490		43,575	
Current Liabilities	28,030	= 1.91:1	18,816	= 2.68:1	18,518	= 2.35:1

The ratio expresses the level of current assets the Council has available to meet its adjusted current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

NOTE 38**CORRECTION OF ERROR**

The Principal Accounting Officer has reassessed the classification of Council's term deposits with maturity dates greater than 3 months and identified an error in their classification made in the prior year (2012 \$11.310M).

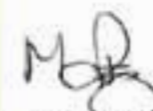
This has led to restating the comparatives as follows:

	2012 \$'000s	Movement \$'000s	Restated 2012 \$'000s
Balance Sheet Extract			
Cash and Cash Equivalents	39,033	(11,310)	27,723
Financial Assets	3,000	11,310	14,310
Cash Flow Statement Extract			
Cash flows from Investing Activities			
Payments for Financial Assets	-	(11,310)	(11,310)
Net Cash used in Investing Activities	(20,187)	(11,310)	(31,497)
Cash and Cash Equivalents at the end of the financial year	39,033	(11,310)	27,723

CERTIFICATION OF THE FINANCIAL STATEMENTS

In my opinion the accompanying financial statements have been prepared in accordance with the [Local Government] Act 1989, the Local Government (Finance and Reporting) Regulations 2001, Australian Accounting Standards and other mandatory professional reporting requirements.

Principal Accounting Officer



Matthew Rogers, CPA
Dated: 16 September 2013

In our opinion the accompanying financial statements present fairly the financial transactions of the Latrobe City Council for the year ended 30 June 2013 and the financial position of the Council as at the date.

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

We have been authorised by the Council on 16 September 2013 to certify the financial statements in their final form.

Councillor



C. Darrell White
Dated: 16 September 2013

Councillor



Cr. Michael Rossiter
Dated: 16 September 2013

Acting Chief Executive Officer



Michael Edgar
Dated: 16 September 2013

STANDARD INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	REF	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variances \$'000s	%
INCOME					
Rates		62,637	62,600	37	0
Operating Grants and Contributions	1	25,606	23,061	2,545	11
Capital Grants and Contributions	2	4,438	4,978	(540)	(11)
Interest	3	1,778	1,130	648	57
User Fees and Charges	4	14,759	15,192	(433)	(3)
Other Income	5	2,701	1,962	739	38
Developer Contributions	6	665	70	595	850
Developer Contributed Assets		2,150	2,000	150	7
Net gain (loss) on disposal of assets	7	(28)	-	(28)	(100)
Recognition of Previously Unrecognised Assets	8	407	-	407	100
Total Income		115,113	110,993	4,120	4
EXPENSES					
Employee Costs		(46,563)	(46,356)	(207)	0
Materials and Services	9	(37,932)	(39,309)	1,377	(4)
Bad and Doubtful Debts	10	(4)	(29)	25	(85)
Finance Costs		(1,086)	(1,117)	31	(3)
Depreciation	11	(20,004)	(21,400)	1,396	(7)
Total Expenses		(105,590)	(108,211)	2,621	(2)
SURPLUS / (DEFICIT) FOR THE YEAR		9,523	2,782	6,741	242
OTHER COMPREHENSIVE INCOME					
Other		91,521	18,572	72,949	100
Total Comprehensive Income for the Year		101,043	21,354	79,689	373

STANDARD INCOME STATEMENT VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	Operating Grants and Contributions	Additional grant funding was recognised mainly due to 2013/2014 funding that has been advanced to Council in June 2013 together with funding received for programs such as Pre Schools, Employment Development, Healthy Communities, Community Strengthening and Emergency Relief, that was not identified in the 2012/2013 budget.
2	Capital Grants and Contributions	The reduction in capital grants funding was mainly due to project funding budgeted in 2012/13 that was advanced to Council in the previous financial year for the Moe Outdoor Pool Upgrade together with funding that is now expected to be received in 2013/2014 due to project delays partially offset by some grants such as Blackspot funding received that was not identified in the 2012/2013 budget.
3	Interest	Additional interest revenue was achieved mainly due to greater than expected cash holdings as a result of the receipt of additional program and project funding in advance of the timing of expenditure and some delays in capital works projects.
4	User Fees and Charges	The unfavourable variance is mainly a result of a decrease in Landfill gate fees due to reduced levels of commercial/industrial waste received, together with lower than anticipated Child Care fees as a result of lower than expected utilisation rates and ability to fill Family Day Carer positions. Parking infringements were also less than anticipated as a result of the move to two hour limits. Some better than expected results were achieved in Subdivision supervision fees and failure to vote election fines.
5	Other Income	The favourable variance is largely a result of additional revenue achieved from interest generated on unpaid rates, bluegum pulpwood reimbursements for the Hyland Highway landfill and the receipt of contributions for the Rail Freight Development Alliance
6	Developer Contributions	The favourable variance is mainly related to Development Plan Contributions for Heritage Boulevard Estate, together with greater than expected Drainage Headworks, Public Open Space and other future works contributions.

STANDARD INCOME STATEMENT**VARIANCE EXPLANATION REPORT (CONTINUED)**

REF	ITEM	COMMENTARY
7	Net gain (loss) on disposal of assets	Plant and vehicle sales together with equipment and playground disposals generated a minor loss over the budgeted amount.
8	Recognition of Previously Unrecognised Assets	During the financial year a number of land and building assets were recognised for the first time, together with a gifted bus and a transfer station item of plant that had previously been treated as not controlled by Council.
9	Materials and Services	The favourable variance is mainly a result of project and program funding to be carried over to be spent in the 2013/2014 financial year together with transfer station upgrade expenditure which was budgeted as operating expenditure but subsequently reclassified to capital expenditure.
10	Bad and Doubtful Debts	The favourable result is due to better than expected collection of outstanding debts and a subsequent reduction in the provision for doubtful debts as at the end of 2012/2013.
11	Depreciation	The favourable variance is mainly a result of the staging and subsequent delay in opening landfill cell 3B at the Hyland Highway landfill facility.

STANDARD BALANCE SHEET AS AT 30 JUNE 2013

	REF	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variances \$'000s	%
CURRENT ASSETS					
Cash and Cash Equivalents and Financial Assets	1	47,163	16,745	30,418	182
Trade and Other Receivables	2	6,293	8,272	(1,979)	(24)
Prepayments	3	207	1,033	(826)	(80)
Total Current Assets		53,662	26,050	27,612	106
NON-CURRENT ASSETS					
Trade and Other Receivables		26	26	-	0
Property, Plant, Equipment and Intangibles	4	1,029,950	955,177	74,773	8
Financial Assets		2	2	-	-
Total Non-Current Assets		1,029,979	955,205	74,774	-
TOTAL ASSETS		1,083,641	981,255	102,386	10
CURRENT LIABILITIES					
Trade and Other Payables	5	16,695	7,178	9,517	133
Interest-Bearing Liabilities		2,959	2,947	12	0
Provisions - Employee Benefits	6	10,465	8,469	1,996	24
Provisions - Landfill Improvements	7	2,027	1,545	482	31
Trust Funds and Deposits	8	2,043	1,634	409	25
Total Current Liabilities		34,188	21,772	12,416	57
NON-CURRENT LIABILITIES					
Interest-Bearing Liabilities		11,427	11,468	(41)	(0)
Provisions - Employee Benefits		1,406	1,500	(94)	(6)
Provisions - Landfill Improvements	9	14,387	12,530	1,857	15
Total Non-Current Liabilities		27,221	25,498	1,723	7
TOTAL LIABILITIES		61,409	47,270	14,139	30
NET ASSETS		1,022,232	933,985	88,247	9
EQUITY					
Accumulated Surplus	10	620,526	608,257	12,269	2
Asset Revaluation Reserve	11	399,253	323,737	75,516	23
Other Reserves	12	2,453	1,991	462	23
TOTAL EQUITY		1,022,232	933,985	88,247	9

STANDARD BALANCE SHEET

VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	Cash and Cash Equivalents	Cash assets are higher than budgeted mainly due to the early receipt of government grant funding, together with incomplete capital works at the end of the reporting period.
2	Trade and Other Receivables	The lower than budgeted level of receivables is mainly due to a reduction in general sundry debtors such as outstanding government grant claims.
3	Prepayments	Prepayments are lower than budgeted largely due to the later than usual timing of Council's public liability insurance premium together with the final settlement of a long term prepayment for the purchase of the Morwell Transfer Station during the previous year that was not recognised in the adopted budget.
4	Property, Plant, Equipment and Intangibles	The revaluation increments for land and infrastructure assets were greater than the 2% increment allowed for in the 2012/2013 budget.
5	Trade and Other Payables	This variance is mainly due to the recognition of Council's apportioned share of the defined benefits superannuation liability, this liability does not require cash funding until the 2013/2014 financial year.
6	Provisions - Employee Benefits	The variance in current employee benefits provision is due to the change in the Local Government Long Service Leave Regulations that now allows employees to access their leave entitlement at 7 years rather than the previous 10 years together with a significant change in the present value of these entitlements. Whilst these changes occurred in the 2011/2012 financial year they were not quantified until after the 2012/2013 budget had already been adopted.
7	Provisions – Landfill Improvements (Current)	The unfavourable variance is due to increased Landfill rehabilitation costs to be incurred over the next twelve months as a result of works budgeted for the 2012/2013 financial year that have been delayed.
8	Trust Funds and Deposits	The unfavourable variance is due to higher than anticipated holdings of security deposits and contract retention amounts than anticipated at the end of the financial year.

STANDARD BALANCE SHEET

VARIANCE EXPLANATION REPORT (CONTINUED)

REF	ITEM	COMMENTARY
9	Provisions – Landfill Improvements (Non Current)	The unfavourable variance is due to delays to landfill rehabilitation works expected to be carried out in 2012/2013 therefore the provision has not decreased as anticipated.
10	Accumulated Surplus	The increased surplus relates mainly to higher than expected opening equity in the 2012/13 financial year and a greater than expected surplus in the current reporting period. These additional surpluses are largely due to government grants and other funds received in advance together with some other project/program expenditures that have been delayed to the 2013/14 financial year.
11	Asset Revaluation Reserve	The revaluation increments for land and infrastructure assets were greater than the 2% increment allowed for in the 2012/2013 budget.
12	Other Reserves	The value of reserves is higher than expected due to the additional developer contributions received for Heritage Boulevard Estate, drainage, public open space and other future works contributions.

STANDARD CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	REF	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variances \$'000s	%
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Operating Activities	1	114,957	108,766	6,191	6
Cash Payments in the Course of Operating Activities	2	(83,133)	(86,746)	3,613	4
Net Cash Flows from Operating Activities		31,824	22,020	9,804	45
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Property, Plant and Equipment	3	828	1,380	(552)	(40)
Payments for Property, Plant and Equipment	4	(24,286)	(28,006)	3,720	13
Payments for financial assets	5	(5,190)	0	(5,190)	(100)
Net Cash Flows from/(used in) Investing Activities		(28,648)	(26,626)	(2,022)	8
CASH FLOWS FROM FINANCING ACTIVITIES					
Finance Costs		(1,086)	(1,117)	31	3
Proceeds from Borrowings		1,000	1,000	0	0
Repayment of Borrowings		(3,150)	(3,127)	(23)	(1)
Net Cash Flows from/(used in) Financing Activities		(3,237)	(3,244)	7	-
Net Increase/(Decrease) in Cash and Cash Equivalents		(60)	(7,850)	7,790	99
Cash and Cash Equivalents at Beginning of Financial Year	6	27,723	24,594	3,129	13
Cash at End of Financial Year		27,663	16,745	10,918	65

STANDARD CASH FLOW STATEMENT

VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	Cash Receipts from Operating Activities	The additional receipts received were mainly a result of additional operating grants, interest on investments, developer contributions and other income as detailed in the notes to the Standard Income Statement.
2	Cash Payments in the Course of Operating Activities	The lower than anticipated level of payments was mainly due to delayed project and program expenditure which will now be incurred in the 2013/2014 financial year.
3	Proceeds from Property, Plant and Equipment	Sales proceeds were less than anticipated due to anticipated property sales that have been now taken off the market or deferred for later consideration.
4	Payments for Property, Plant and Equipment	The less than anticipated level of payments was mainly due to delayed capital project expenditure which will now be incurred in the 2013/2014 financial year.
5	Payments for Financial Assets	Payments for term deposits with an original maturity of greater than 90 days were treated as Cash and Cash Equivalents in the budget but have been actually classified as Financial Assets as a result of advice from the Victorian Auditor General's Office.
6	Cash and Cash Equivalents at Beginning of Financial Year	The additional cash held at the beginning of the financial year was mainly a result of government funding for 2013/2014 that was advanced to Council in the previous financial year together with capital and operational projects funds which were carried forward to be expended in 2013/2014

STANDARD CAPITAL WORKS STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variances \$'000s	%
CAPITAL WORKS AREAS					
Roads, Paths, Bridges and Carparks	1	13,997	17,492	(3,495)	(20)
Drainage	2	75	120	(45)	(37)
Land, Buildings and Improvements	3	4,352	5,619	(1,267)	(23)
Plant and Equipment	4	3,178	2,037	1,141	56
Furniture, Equipment and Intangibles	5	1,231	550	681	124
Playgrounds	6	423	673	(250)	(37)
Artworks	7	24	15	9	61
Landfill Cell Construction	8	1,006	1,500	(494)	(33)
Total Capital Works		24,286	28,006	(3,720)	(13)
Represented by:					
Asset Renewal	9	14,260	16,977	(2,717)	(16)
New Assets	10	4,038	4,942	(904)	(18)
Asset Expansion/ Upgrade		5,988	6,087	(99)	(2)
Total Capital Works		24,286	28,006	(3,720)	(13)

Property, Infrastructure, Plant and Equipment and Intangibles movement reconciliation worksheet

Total Capital Works	24,286	28,006	(3,720)	(13)
Depreciation and Amortisation	(20,004)	(21,400)	1,396	(7)
Less Written down value of assets sold	(856)	(657)	(199)	30
Developer contributed assets	2,150	2,000	150	7
Recognition of Previously Unrecognised Assets	407	-	407	100
Reversal of Assets held for sale	744	-	744	100
Asset Revaluation Reserve	91,521	18,572	72,949	393
Net movement in Property, Infrastructure, Plant and Equipment and Intangibles	98,247	26,521	71,726	270

STANDARD CAPITAL WORKS STATEMENT

VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	Roads, Paths, Bridges and Carparks	The lower than anticipated expenditure is largely due to delays experienced in Churchill Activity Centre Plan works, road rehabilitation projects, rural gravel road sealing program, timber haulage program, Coalville Road Moe pedestrian link and the footpath replacement program. These funds will be carried over to complete these projects in the 2013/2014 financial reporting period.
2	Drainage	The variance relates to delays in the completion of Commercial Road Gross Pollutant Trap Installation which is now forecast to be carried over to allow completion of the works in the 2013/2014 financial year. This has been partially offset by additional expenditure in drainage works at Alamere Drive Traralgon that were funded from developer contributions reserves.
3	Land, Buildings and Improvements	The lower than anticipated expenditure is largely due to the reclassification of some items/projects to operating expenditure together with some projects which are ongoing and these funds will be carried over to complete these projects in the 2013/2014 financial reporting period such as the Moe outdoor pool upgrade.
4	Plant and Equipment	The additional expenditure incurred was mainly due to Transfer Station Upgrade expenditure that was budgeted as operating expenditure, together with some plant and fleet expenditure that was ordered in the previous financial year but delivered during 2012/2013 and funded from prior year allocations carried forward.
5	Furniture ,Equipment and Intangibles	The additional expenditure incurred was mainly due to the telephone system upgrade and survey and CCTV equipment that was funded from prior year allocations carried forward and government grants not identified in the budget.
6	Playgrounds	The lower than anticipated expenditure was primarily a result of the Morwell Skate Park project being still under construction at year end these funds will be carried over for completion of the project in the 2013/2014 financial year.
7	Artworks	The Latrobe Regional received an unanticipated donation from Public Galleries Association of Victoria that allowed additional expenditure on Artworks during the year.

STANDARD CAPITAL WORKS STATEMENT
VARIANCE EXPLANATION REPORT (CONTINUED)

REF	ITEM	COMMENTARY
8	Landfill Cell Construction	This variance is a result of \$1.500M set aside for the construction of cell 4 at Council’s landfill largely offset by \$1.006M spent in the completion of cell 3 from funds carried over from the previous financial year.
9	Asset Renewal	The lower than anticipated renewal expenditure is largely a result of road projects delayed due to various factors with the funds to be carried over to complete the projects during 2013/2014.
10	New Assets	The lower than anticipated expenditure on new assets is largely a result of the delay in the Churchill Town Centre Plan project with the funds to be carried over to complete the project during 2013/2014.

NOTES TO THE STANDARD STATEMENTS

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required a Standard Statement of Financial Performance, a Standard Balance Sheet, a Standard Statement of Cash Flows, and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included at the beginning of the Financial Statements section of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare council’s financial plan, expressed through its budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. The City has adopted a materiality threshold of 10 per cent or \$250,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 16 July 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council’s business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.



CERTIFICATION OF THE *STANDARD STATEMENTS*

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*.

Principal Accounting Officer

Matthew Rogers, CPA
Dated: 16 September 2013

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

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

We have been authorised by the Council on 16 September 2013 to certify the standard statements in their final form.

Councillor

Cr. Darrell White
Dated: 16 September 2013

Councillor

Cr. Michael Rossiter
Dated: 16 September 2013

Acting Chief Executive Officer

Michael Edgar
Dated: 16 September 2013

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Latrobe City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2013 of the Latrobe City Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises standard statement income statement, standard statement balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Latrobe City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

Auditing in the Public Interest

Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of the Latrobe City Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Latrobe City Council for the year ended 30 June 2013 included both in the Latrobe City Council's annual report and on the website. The Councillors of the Latrobe City Council are responsible for the integrity of the Latrobe City Council's website. I have not been engaged to report on the integrity of the Latrobe City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
19 September 2013


John Doyle
Auditor-General

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Auditing in the Public Interest

PERFORMANCE STATEMENT

The Performance Statement reports the result of Strategic Activities adopted by Council in its annual budget in accordance with the requirements of the *Local Government Act 1989*.

Economy

KEY STRATEGIC ACTIVITY

Deliver “Positioning Latrobe City for a Low Carbon Emission Future” to maximise the opportunities for alternative technologies and non traditional uses for coal, through support of the Low Carbon Emissions Future Transition Committee.

Not Achieved – Only one Committee meeting being held due to Council deciding to abolish the Committee by Council resolution in April 2013.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council’s contribution was limited to the cost of internal resources only.
Time	The Ordinary Council Meeting, at which a report detailing progress and activities during 2012/13 financial year will be presented to Council for consideration, will be no later than 30 June 2013.	Achieved. At its ordinary meeting of 17 December 2012, Council resolved the following- “That Council notes the update on the implementation of Positioning Latrobe City for a Low Carbon Emission Future”.
Quantity	A minimum of two Low Carbon Committee meetings will be held during 2012/13.	Not achieved. One meeting was held during 2012/13. The Committee was abolished by Council resolution in April 2013.
Quality	Progression of actions and objectives from the ‘Positioning Latrobe City for a Low Carbon Emission Future’.	Not Achieved. One meeting was held during 2012/13. The Committee was abolished by Council resolution in April 2013.

Natural Environment

KEY STRATEGIC ACTIVITY

Implement actions from the Natural Environment Sustainability Strategy 2008-2013 to achieve identified biodiversity and sustainability outcomes.

Achieved - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council allocated \$9,634,500 within the adopted budget towards the Natural Environment Sustainability Strategy, with actual expenditure of \$5,638,453 incurred.
Time	The Ordinary Council Meeting, at which a progress report on the delivery of actions identified by the Natural Environment Sustainability Strategy is presented to Council for consideration, will be no later than 30 June 2013.	Achieved. The annual snapshot report on the delivery of actions identified by the Natural Environment Sustainability Strategy was adopted by Council at the 3 June 2013 Ordinary Council Meeting.
Quantity	A report on the progress delivered against actions identified in the Natural Environment Sustainability Strategy 2008 - 2013 will be presented to Council for consideration.	Achieved. The annual snapshot report on the delivery of actions identified by the Natural Environment Sustainability Strategy was adopted by Council at the 3 June 2013 Ordinary Council Meeting.
Quality	Progression of actions and objectives from the Natural Environment Sustainability Strategy 2008-2013, and provision of information to Council on progress.	Achieved. The annual snapshot report on the delivery of actions identified by the Natural Environment Sustainability Strategy was adopted by Council at the 3 June 2013 Ordinary Council Meeting.

Built Environment

KEY STRATEGIC ACTIVITY

Pursue government funding opportunities to progress construction of the Moe Rail Precinct Revitalisation Project in accordance with the Moe Activity Centre Plan.

Achieved - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to the resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council’s contribution was limited to the cost of internal resources only.
Time	The Ordinary Council Meeting, at which the summary of funding programs and opportunities identified will be presented to Council for consideration, will be no later than 30 June 2013.	Achieved. The summary of funding programs and opportunities identified was presented to Council for consideration on the 25th of March 2013 at a special Council Meeting.
Quantity	A report detailing potential funding programs and opportunities will be identified throughout the 2012/13 financial year.	Achieved. A report detailing potential funding programs was included in the review report considered at the 25 March 2013 special Council Meeting. In accordance with the resolution from Council the seeking of funding for this project has recommenced. A formal application for funding to the Victorian Government’s Regional Growth Fund was submitted on 21 June 2013. No additional commitments for further funding have been given by State or Federal Governments to date.
Quality	The report will outline potential program funding opportunities, funding guidelines and provide recommendations to progress the Moe Rail Precinct Revitalisation Project development.	Achieved. The report presented at the 25 March 2013 special Council Meeting outlined potential program funding opportunities, funding guidelines and provided recommendation’s to progress the Moe Civic Precinct development.

(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).

KEY STRATEGIC ACTIVITY

Finalise Stage 2 of the Traralgon Activity Centre Plan to improve access, guide future land use and establish an urban design framework and parking precinct.

Not Achieved - Following a resolution of Council on 19 September 2011 which links Traralgon Activity Centre Plan (TACP) to the delivery of Traralgon Growth Areas Review (TGAR).

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council allocated \$30,000 within the adopted budget towards the Traralgon Activity Centre Plan, with actual expenditure of \$17,564 incurred.
Time	The Ordinary Council Meeting, at which Stage 2 of the Traralgon Activity Centre Plan will be presented to Council for consideration, will be no later than 30 June 2013.	Not Achieved. Following a resolution of Council on 19 September 2011 which links Traralgon Activity Centre Plan (TACP) to the delivery of Traralgon Growth Areas Review (TGAR), Stage 2 of the TACP was not presented to Council prior to 30 June 2013.
Quantity	Finalisation of Stage 2 of the Traralgon Activity Centre Plan will result in the completion of an Urban Design Framework, Activity Centre Plan and Implementation Plan to inform a planning scheme amendment.	Not Achieved. The draft Urban Design Framework, Activity Centre Plan, Parking Strategy and implementation Plan was not completed as a result of the resolution of Council on 19 September 2011.
Quality	The quality of Stage 2 outputs and resulting planning scheme amendment will be measured by the success of the Planning Scheme amendment process, including assessment by an independent Planning Panel and the decision by the Minister for Planning.	Not Achieved. The TACP project is subject to the success of the Planning Scheme Amendment process (i.e. Stage 3) which has not yet commenced.

(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).

Community

KEY STRATEGIC ACTIVITY

In consultation with community groups, develop and implement a Seniors Week program of activities to provide opportunities for active participation of older people.

Achieved - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council allocated \$10,300 within the adopted budget towards the Seniors Week, with actual expenditure of \$9,973.
Time	Delivery of the Seniors Week program of activities by no later than 31 October 2012.	Achieved. Program delivered in October 2012
Quantity	Delivery of a program of activities, to provide opportunities for active participation of older people during Seniors Week.	Achieved. Event held over 7 days offering over 40 activities.
Quality	Senior’s Week program that receives positive feedback from participants and is well attended.	Achieved. All activities fully booked. Surveys returned at major activities show only positive feedback. Unsolicited letters of appreciation have been received.

Culture

KEY STRATEGIC ACTIVITY

Develop the Latrobe City Events Strategy and Action Plan 2013-2017 and present to Council for consideration.

Achieved - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council’s contribution was limited to the cost of internal resources only.
Time	The Ordinary Council Meeting, at which the Events Strategy and Action Plan will be presented to Council for consideration, will be no later than 30 June 2013.	Achieved. The 2013-2017 Latrobe City Events Strategy and Action Plan was adopted by Council at the Ordinary Council Meeting on 17 September 2012.
Quantity	The Events Strategy and Action Plan will identify key principles and actions to facilitate continued growth and development of events for economic benefit, to build capacity in our community and to lift the profile of Latrobe City.	Achieved. The 2013-2017 Latrobe City Events Strategy and Action Plan contains key principles and actions to facilitate continued growth and development of events.
Quality	The Events Strategy and Action Plan will provide clear strategic directions for Latrobe City events and ensure continued growth and sustainability of events for the benefit of Latrobe City.	Achieved. The 2013-2017 Latrobe City Events Strategy and Action Plan provides clear strategic directions for Latrobe City events and will ensure continued growth and sustainability of events.

(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).

Recreation

KEY STRATEGIC ACTIVITY

Finalise review of the Latrobe City Public Open Space Plan to ensure accessible, connected and varied open space experiences continue to be provided for our community.

Achieved - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council’s contribution was limited to the cost of internal resources only.
Time	The Ordinary Council Meeting, at which the Public Open Space Plan will be presented to Council for consideration, will be no later than 30 June 2013.	Achieved. The Public Open Space Plan was presented to Council on 20 May 2013.
Quantity	The revised Latrobe City Public Open Space Plan key principles and actions will guide and define the provision of public open space in Latrobe City for the enjoyment of the community.	Achieved. The Public Open Space Strategy will achieve the quality measure.
Quality	The quality of outputs will be measured by the Department of Planning and Community Development’s level of satisfaction with the information and process used to support a subsequent planning scheme amendment.	Achieved. Department of Planning and Community Development have indicated that they are satisfied with the quality of the Public Open Space Strategy. The Strategy provides clear strategic directions for Latrobe City in respect to the planning for and management of open space within Latrobe City.

(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).

Governance

KEY STRATEGIC ACTIVITY

Develop the Council Plan 2013-2017, present to Council for consideration and submit to the Minister for Local Government within the legislated timeframe.

Achieved - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to the resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council allocated \$15,800 within the adopted budget towards the development of the Council Plan, with actual expenditure of \$10,208.
Time	Submit the Council Plan 2013- 2017 to the Minister for Local Government by the 30 June 2013.	Achieved. Council resolved to adopt the Council Plan 2013-2017 on the 24 June 2013. The Council Plan was submitted electronically to the Minister for Local Government on the 27 June 2013.
Quantity	The Council Plan 2013 – 2017 will identify four year strategic objectives of Council, strategies to achieve identified objectives, strategic performance indicators and a four year strategic resources plan, in accordance with the Local Government Act.	Achieved. The Council Plan 2013 – 2017 identifies four year strategic objectives of Council, strategies to achieve identified objectives, strategic performance indicators and is supported by a four year strategic resources plan, in accordance with the Local Government Act.
Quality	The Council Plan will outline Latrobe City Council’s response to the objectives of ‘Latrobe 2026: The Community Vision for Latrobe Valley’ and identify Councillors strategic directions for the next four years.	Achieved. Latrobe 2026: The Community Vision for Latrobe Valley was considered by Council during the preparation of the Council Plan and the strategic directions identified.

Advocacy and Partnerships

KEY STRATEGIC ACTIVITY

Develop a City Image Strategy to strengthen Latrobe City’s profile as Gippsland’s Regional City.

Not Achieved - Council resolved to indefinitely defer further consideration of the draft City Image Strategy.

Performance Measure	Target	Actual
Cost	Latrobe City Council’s financial contribution during the 2012/13 financial year will be limited to the resources allocated within Council’s adopted budget.	Achieved. Latrobe City Council allocated \$25,000 within the adopted budget towards the City Image Strategy, with actual expenditure of \$23,571 incurred.
Time	The Ordinary Council Meeting, at which the Latrobe City Image Strategy will be presented to Council for consideration, will be no later than 30 June 2013.	Achieved. A draft City Image Strategy was presented to Council on 3 June 2013. Council resolved to indefinitely defer further consideration of the draft City Image Strategy.
Quantity	The Latrobe City Image Strategy will guide Latrobe City Council’s role in promoting a sense of community pride and promote Latrobe City’s regional city status.	Not Achieved. Strategy not adopted by Council.
Quality	The Latrobe City Image Strategy will provide clear strategic direction to strengthen Latrobe City’s profile as Gippsland’s Regional city.	Not Achieved. Strategy not adopted by Council.
<i>(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).</i>		



COUNCIL APPROVAL OF THE *PERFORMANCE STATEMENT*

In our opinion the accompanying performance statement of the Latrobe City Council in respect of the 2012/2013 financial year is presented fairly.

At the time of signing we are not aware of any circumstance which would render any particular in the statement to be misleading or inaccurate.

We have been authorised by the Council on 16 September 2013 to certify the performance statement in its final form.

Councillor

Cr. Darrell White
Dated: 16 September 2013

Councillor

Cr. Michael Rossiter
Dated: 16 September 2013

Acting Chief Executive Officer

Michael Edgar
Dated: 16 September 2013



Victorian Auditor-General's Office

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Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Latrobe City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Latrobe City Council which comprises the statement and the council approval of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Latrobe City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Latrobe City Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Latrobe City Council for the year ended 30 June 2013 included both in the Latrobe City Council's annual report and on the website. The Councillors of the Latrobe City Council are responsible for the integrity of the Latrobe City Council's website. I have not been engaged to report on the integrity of the Latrobe City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
19 September 2013


John Doyle
Auditor-General

GLOSSARY

All Latrobe City Council adopted strategies and plans are available on Council's website www.latrobe.vic.gov.au/Planningforourfuture

A

Advisory Committee

Specialist appointees who form a committee that provides advice to Latrobe City Council on matters relating to the delivery of strategies, services and activities.

Advocacy

To provide support to a cause or to make public recommendation.

Annual Business Plan

The Annual Business Plan, together with the Annual Budget, is Council's short term planning document. The Annual Business Plan consists of actions which support the delivery of the Council Plan and Organisational Excellence @ Latrobe. The Annual Budget identifies the financial and non-financial resources required to support the Plan.

Annual Report

The Annual Report is an annual reporting tool to provide an update to Council stakeholders and the Minister for Local Government on how Council has achieved against the commitments made in the Council Plan and Strategic Resources Plan. In accordance with *section 131* of the *Local Government Act 1989*, it includes a report of Council's operations, audited standard and financial statements, performance statement (*section 132*) and report on the performance statement (*section 133*).

Asset

Property owned by Latrobe City Council.

B

Best Value principles

Contained in the *Local Government Act 1989*, the six principles must be observed by all Victorian councils. The principles aim to enable councils to determine the most effective means of providing a service to the community.

Building Act 1993

The primary purposes of this Victorian Government legislation is to regulate building work and building standards, accreditation of building products and constructions methods and provision of building and occupancy permit systems and dispute resolution mechanisms.

C

Capital Works

Projects undertaken to either renew, upgrade or construct assets owned by Latrobe City Council.

Community Grants

Council allocates a sum of money for the Community Grants Program as part of its annual budget process. This funding is shared between various non-profit community groups and organisations.

Council

The collective group of nine councillors that set the strategic direction for Latrobe City Council, monitor organisational performance, liaise with stakeholders and ensure operational compliance.

Councillor

A member of the community elected in accordance with the *Local Government Act 1989* to represent the residents of a ward within the municipality, as a member of Council.

Charter of Human Rights and Responsibilities Act 2006

Legislation created to protect and promote human rights. It sets out freedoms, rights and responsibilities.

D

Development Plan

A plan that aims to coordinate the layout of new subdivisions and is particularly useful to ensure the integrated development of land where there are several properties in separate ownership. The plan may also provide certainty about the nature and staging of new subdivision developments over a period of time. A development plan can provide direction and coordination of infrastructure networks, public open space and housing types

F

Feasibility study

The evaluation or analysis of the potential impact of a proposed project.

G

Gippsland Local Government Network

An alliance of the six municipal councils located in Gippsland. The Mayor and Chief Executive Officer of each council meet regularly, with the primary objective to work collaboratively on a range of issues and projects of mutual interest.

Gippsland Logistics Precinct

A Council-owned 64 hectare precinct adjacent to the existing rail line in Morwell to be developed to establish a centre for the efficient and cost effective movement of freight to and from the Gippsland region.

I

Indigenous

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

Infrastructure

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

Information Privacy Act 2001

The purpose of this Act is to create a scheme for the responsible collection and handling of personal information across the Victorian public sector.

L

Latrobe Planning Scheme

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

Local Government Act 1989

This Victorian Government legislation outlines the intention for councils to provide a democratic and efficient system of local government in Victoria. It also gives councils the power to meet the needs of their communities, and provides the basis for an accountable system of governance in Victoria.

Local Government Community Satisfaction Survey

Participating Council's engage a consultant to survey community members on Councils overall performance, community consultation, advocacy and customer service, identifying areas for improvement.

Local Laws

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

Local Planning Policy Framework

The framework provides the local aspects of the strategic basis for land use planning as controlled by the Latrobe Planning Scheme. The framework consists of the Municipal Strategic Statement together with the Local Planning Policy.

M

Main Town Structure Plans

Plans developed by Latrobe City Council that identify areas where land is earmarked for future residential and industrial expansion in and around Latrobe City's main towns, based on predictions of future population growth for the municipality.

Major Initiative

A project identified by Council to be implemented during the four year period of the Council Plan.

Mission

The Council's philosophy that articulates how the community vision and Council Plan will be achieved.

Municipality

A geographical area that is delineated for the purpose of local government.

O

Objective

There are nine strategic objectives outlined in Latrobe 2026 and the Council Plan 2012-2016. They set the objectives for Council and the organisation over a four year period.

P

Performance Indicator

Measures used to monitor the performance of Council in achieving the objectives of the Council Plan.

Plan

Focused and structured detail of action to be undertaken, involving a series of specific steps, to implement the objectives and goals of an overarching strategic direction.

Planning and Environment Act 1987

This Victorian Government legislation establishes a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians.

Policy

A set of principles intended to influence and provide direction for Council decisions, actions, programs and activities.

Public Health and Wellbeing Act 2008

This Victorian Government legislation replaces the previous *Health Act 1958*. It aims to achieve the highest attainable standard of public health and well-being in Victoria, through the update and modernisation of Victoria's public health framework.

Q

Quarterly Report

The Quarterly Report is a four monthly report to councillors on how the organisation is progressing against the commitments made in the Council Plan as well as operational, financial and statutory information.

R

Regional Cities Victoria

An organisation representing the ten largest provincial centres in Victoria, comprising the municipalities of Ballarat, Bendigo, Geelong, Horsham, Latrobe City, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga. The Mayor and Chief Executive Officer of each Council meet regularly, with the primary objective to expand the population of regional Victoria through promoting business and government investment and skilled migration to regional centres.

S

Service

A service identified by Council to be provided to the community during the four year period of the Council Plan.

Statutory Body

Statutory bodies (or statutory authorities) are organisations established under an Act of the Victorian Parliament or Australian Parliament for a public purpose.

Strategic Direction

Under each strategic objective of the Council Plan are Strategic Directions. Strategic Directions further detail the key areas Council will focus on achieving over the next four years.

Strategic Resources Plan

The Strategic Resources Plan is a component of the Latrobe City Council Plan and is prepared in accordance with *section 126 of the Local Government Act*. It identifies the financial and non-financial resources required by Council over the next four years to implement the Council Plan.

Strategy

A long term systematic plan of action to achieve defined outcomes in an area of Council activity or responsibility. A series of objectives is set out to meet these goals and specific actions are determined to meet these objectives.

Structure Plans

A document that provides direction for planning and development of a defined precinct. Structure plans are subject to community consultation and may be incorporated into the Latrobe Planning Scheme.

V

Values

Represent underlying attitudes and beliefs within the organisation that are demonstrated through organisational practices, processes, and behaviours.

Victorian Auditor General's Office

A public sector audit organisation providing auditing services to the Victorian Parliament and Victorian public sector agencies and authorities.

Victorian Freedom of Information Act 1982

The purpose of this act is to give members of the public rights of access to documents held by the department. The Act gives you the right to request documents about your personal affairs and the activities of the department, and incorrect or misleading information about you be amended or removed.

Vision

A statement of direction that defines the aspirations of Latrobe City Council, and serves to guide all organisational objectives.

W

Ward

An area of the municipality identified for the purpose of representation. Latrobe City consists of four wards with a total of nine councillors.



Image: Hazelwood Pondage

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ANNUAL REPORT *Feedback Form*

The 2012/13 Annual Report is a statutory reporting tool that documents the achievements in the delivery of the Council Plan and against our Annual Budget for the year.

Your feedback will assist us to identify any areas for improvement, and will ensure next year's Annual Report meets your needs.

Please take a few minutes to complete this form and return it to us by 30 January 2014.

Please return the completed reply paid form to:

Manager Corporate Strategy

Latrobe City Council
Reply Paid 264
MORWELL VIC 3840

Please tick your selected answer ☒

What is your age group? ☐ Under 25 ☐ 25-39 ☐ 40-59 ☐ 60+ years

Do you live within the Latrobe City? ☐ Yes ☐ No

What is your postcode?

Please indicate the main reason for your interest in Latrobe City Council's Annual Report:

- | | |
|--|--|
| <input type="checkbox"/> Latrobe City resident/ratepayer | <input type="checkbox"/> Government organisation |
| <input type="checkbox"/> Latrobe City business owner/manager | <input type="checkbox"/> Latrobe City employee |
| <input type="checkbox"/> Private sector organisation | <input type="checkbox"/> Community group/association |
| <input type="checkbox"/> Other | |

Please rate the usefulness of each section of Latrobe City Council's 2012/13 Annual Report:

Please tick your selected answer	Useful	Neutral	Not useful
Performance Snapshot			
Capital Works Highlights			
Events Highlights			
Financial Snapshot			
About Council			
Our Employees			
Capital Works Highlights			
Events Highlights			
Performance Section			
Governance Section			
Financial Section			
Glossary/Index			

Please rate the following aspects of Latrobe City Council's 2012/13 Annual Report overall:

	Good	Adequate	Poor
Please tick your selected answer			
Overall content			
Conciseness			
Informative			
Design and presentation			
Ease of reading			

Do you have any other comments?

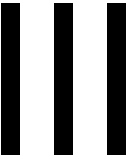
Thank you for taking the time to provide us with your feedback.

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Latrobe City Council
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LATROBE CITY COUNCIL SERVICE CENTRES AND LIBRARIES

MORWELL	Corporate Headquarters 141 Commercial Road, Morwell Morwell Library 63-65 Elgin Street, Morwell
MOE	Moe Service Centre 44 Albert Street, Moe Moe Library 30 Kirk Street, Moe
TRARALGON	Traralgon Service Centre and Library 34-38 Kay Street, Traralgon
CHURCHILL	Churchill Community Hub 9-11 Philip Parade, Churchill

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Information within this document was correct at time of print and is subject to change without prior notice.