

**WHITEHORSE CITY COUNCIL**  
**ANNUAL FINANCIAL REPORT**  
**For the year ended 30 June 2017**

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**COMPREHENSIVE INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Note</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Income</b>			
Rates and charges	3	108,151	104,261
Statutory fees and fines	4	7,271	5,566
User fees	5	40,796	37,397
Grants - operating	6	20,737	15,926
Grants - capital	6	1,476	1,596
Contributions - monetary	7	9,277	6,613
Contributions - non-monetary	7	620	23,318
Net gain on disposal of property, infrastructure, plant and equipment	8	1,466	102
Share of net gain of associates and joint operation	9	219	952
Interest income	10	3,241	2,818
Other income	11	3,745	3,672
<b>Total Income</b>		<b>196,999</b>	<b>202,221</b>
<b>Expenses</b>			
Employee costs	12	68,177	67,195
Materials and services	13	54,739	52,116
Depreciation and amortisation	14	24,656	24,563
Borrowing costs	15	266	299
Contributions expense	16	5,026	4,787
Other expenses	17	2,200	2,184
<b>Total expenses</b>		<b>155,064</b>	<b>151,144</b>
<b>Surplus for the year</b>		<b>41,935</b>	<b>51,077</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus in future periods</b>			
Net asset revaluation increment	30	743,898	4,331
<b>Total comprehensive result</b>		<b>785,833</b>	<b>55,408</b>

The Comprehensive Income Statement should be read with the accompanying notes.

WHITEHORSE CITY COUNCIL - ANNUAL FINANCIAL REPORT 2016/17

BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18	18,205	14,116
Other financial assets	19	125,723	100,643
Trade and other receivables	20	10,856	9,657
Non-current assets classified as held for sale	21	18,954	1,430
Other assets	22	2,350	1,216
<b>Total current assets</b>		<u>176,088</u>	<u>127,062</u>
<b>Non-current assets</b>			
Trade and other receivables	20	44	46
Investment in associates and joint operation	9	7,805	7,685
Property, infrastructure, plant and equipment	23	2,956,546	2,223,285
Intangible assets	24	940	878
<b>Total non-current assets</b>		<u>2,965,335</u>	<u>2,231,894</u>
<b>Total assets</b>		<u>3,141,423</u>	<u>2,358,956</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	25	16,808	19,814
Trust funds and deposits	26	9,899	9,232
Provisions	27	14,679	15,243
Interest bearing loans and borrowings	28	436	402
<b>Total current liabilities</b>		<u>41,822</u>	<u>44,691</u>
<b>Non-current liabilities</b>			
Provisions	27	1,781	1,742
Interest bearing loans and borrowings	28	5,008	5,444
Other liabilities	29	1,619	1,719
<b>Total non-current liabilities</b>		<u>8,408</u>	<u>8,905</u>
<b>Total liabilities</b>		<u>50,230</u>	<u>53,596</u>
<b>Net assets</b>		<u>3,091,193</u>	<u>2,305,360</u>
<b>Equity</b>			
Accumulated surplus		784,114	753,884
Reserves	30	2,307,079	1,551,476
<b>Total equity</b>		<u>3,091,193</u>	<u>2,305,360</u>

The Balance Sheet should be read with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017

		Accumulated surplus	Asset revaluation reserve	Other reserves	Total
	Note	\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
Balance at beginning of the financial year		753,884	1,490,827	60,649	2,305,360
Surplus for the year		41,935	-	-	41,935
Net asset revaluation increment	30	-	743,898	-	743,898
Transfers to other reserves	30	4,512	-	16,217	20,729
Transfers from other reserves	30	(16,217)	-	(4,512)	(20,729)
Transfers from asset revaluation reserve	30	-	-	-	-
<b>Balance at end of the financial year</b>		<u>784,114</u>	<u>2,234,725</u>	<u>72,354</u>	<u>3,091,193</u>

		Accumulated surplus	Asset revaluation reserve	Other reserves	Total
	Note	\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Balance at beginning of the financial year		699,225	1,491,892	58,835	2,249,952
Surplus for the year		51,077	-	-	51,077
Net asset revaluation increment	30	-	4,331	-	4,331
Transfers to other reserves	30	8,370	-	10,184	18,554
Transfers from other reserves	30	(10,184)	-	(8,370)	(18,554)
Transfers from asset revaluation reserve	30	5,396	(5,396)	-	-
<b>Balance at end of the financial year</b>		<u>753,884</u>	<u>1,490,827</u>	<u>60,649</u>	<u>2,305,360</u>

The Statement of Changes in Equity should be read with the accompanying notes.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		107,954	103,958
Statutory fees and fines		7,551	5,774
User fees		41,555	38,563
Grants - operating		21,599	16,599
Grants - capital		1,537	1,663
Contributions - monetary		9,662	5,474
Interest received		3,241	3,038
Net Trust funds and deposits		667	1,768
Other receipts		3,234	2,059
Net GST refund/payment		5,266	5,628
Employee costs		(68,116)	(66,968)
Materials and services		(66,881)	(52,232)
Other payments		(7,912)	(7,550)
<b>Net cash provided by operating activities</b>	31	<u>59,357</u>	<u>57,774</u>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(34,659)	(38,296)
Proceeds from sale of property, infrastructure, plant and equipment		5,137	1,705
Payments for investments		(286,223)	(191,080)
Proceeds from sale of investments		261,143	176,029
Payment of loans and advances from community organisations		2	3
<b>Net cash used in investing activities</b>		<u>(54,600)</u>	<u>(51,639)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(266)	(299)
Proceeds from borrowings		-	-
Repayment of borrowings		(402)	(399)
<b>Net cash used in financing activities</b>		<u>(668)</u>	<u>(698)</u>
Net increase (decrease) in cash and cash equivalents		4,089	5,437
Cash and cash equivalents at beginning of the financial year		14,116	8,679
<b>Cash and cash equivalents at end of the financial year</b>	18	<u>18,205</u>	<u>14,116</u>
Financing arrangements	32		
Restrictions on cash assets	18		

The Statement of Cash Flows should be read with the accompanying notes.

STATEMENT OF CAPITAL WORKS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>Property</b>		
Land	2,864	7,626
<b>Total Land</b>	<u>2,864</u>	<u>7,626</u>
Buildings	4,503	2,810
Building Improvements	3,967	5,410
<b>Total Buildings</b>	<u>8,470</u>	<u>8,220</u>
<b>Total Property</b>	<u>11,334</u>	<u>15,846</u>
<b>Plant and Equipment</b>		
Plant, machinery and equipment	3,573	3,835
Fixtures, fittings and furniture	107	269
Computers and telecommunications	918	847
<b>Total Plant and Equipment</b>	<u>4,598</u>	<u>4,951</u>
<b>Infrastructure</b>		
Roads	4,976	5,796
Bridges	43	231
Footpaths and cycleways	3,875	3,378
Drainage	2,216	2,564
Recreational, leisure and community facilities	3,584	2,108
Parks, open space and streetscapes	3,562	2,937
Off street car parks	371	173
Other infrastructure	100	112
<b>Total infrastructure</b>	<u>18,727</u>	<u>17,299</u>
<b>Total capital works expenditure</b>	<u>34,659</u>	<u>38,096</u>
<b>Represented by:</b>		
New asset expenditure	5,149	10,301
Asset renewal expenditure	25,046	24,617
Asset expansion expenditure	2,526	1,419
Asset upgrade expenditure	1,938	1,759
<b>Total capital works expenditure</b>	<u>34,659</u>	<u>38,096</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**INTRODUCTION**

The Whitehorse City Council was established by an Order of Governor in Council on 15th December 1994 and is a body corporate.

Council's main office is located at 379-397 Whitehorse Road, Nunawading VIC 3131.

**Statement of Compliance**

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

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of accounting**

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (j) and 1 (k))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (l))
- the determination of employee provisions (refer to note 1 (q))

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

**(b) Change in accounting policies**

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

**(c) Accounting for investments in associates and joint arrangements**

**Associates**

Associates are all entities over which Council has significant influence but no control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Council's associates are Whitehorse Manningham Regional Library Corporation and Narre Warren User Group (refer to note 9).

**Joint operations**

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

Whitehorse City Council has a joint arrangement interest in the Regional Landfill Clayton South together with four other Councils:

Whitehorse City Council	14.12%
Monash City Council	16.80%
Boroondara City Council	35.22%
Glen Eira City Council	21.10%
Stonington City Council	12.76%
	<hr/> 100.00%

Refer to Note 9 for details in relation to this investment.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(d) Revenue recognition**

Income is recognised when 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 Council and the amount of the contribution can be measured reliably.

***Rates and Charges***

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

***Statutory fees and fines***

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

***User fees***

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

***Grants***

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

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

***Contributions***

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

***Sale of property, infrastructure, plant and equipment***

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

***Interest***

Interest is recognised as it is earned.

***Other income***

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

**(e) Fair value measurement**

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

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

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

**(f) Cash and cash equivalents**

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

**(g) Trade and other receivables**

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

**(h) Other financial assets**

Other financial assets consist of term deposits which are measured at amortised cost and held to maturity.

**(i) Inventories**

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

**(j) Non-current assets classified as held for sale**

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

**(k) Recognition and measurement of property, infrastructure, plant and equipment**

***Acquisition***

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

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

In accordance with Council's policy, the threshold limits detailed in Note 1(l) have applied when recognising assets within an applicable asset class.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

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

**(k) Recognition and measurement of property, infrastructure, plant and equipment (continued)**

**Revaluation**

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, Infrastructure, Plant and Equipment.

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense.

Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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

Buildings, infrastructure, plant and equipment, and other assets having limited useful lives are systematically depreciated or amortised over their useful lives to 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 and amortisation rates and methods are reviewed annually.

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

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

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

Asset class	Depreciation Period	Threshold Limit
Land	-	Nil
Buildings	10-100 years	\$7,000
Plant, machinery and equipment	2-20 years	\$1,000
Fixtures, fittings and furniture	4-10 years	\$500
Computers and telecommunications	4-5 years	\$500
Roads	10-200 years	\$8,000
Bridges	10-200 years	\$3,000
Footpaths and cycleways	10-200 years	\$8,000
Drainage	20-200 years	\$2,000
Recreational, leisure and community facilities	5-25 years	\$3,000
Parks, open space and streetscapes	5-25 years	\$3,000
Off street car parks	10-25 years	\$3,000
Other infrastructure	10-200 years	\$3,000
Intangible assets	4-5 years	\$500

Land and various pieces of artwork are not depreciated.

**(m) Repairs and maintenance**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(n) Impairment of assets**

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

**(o) Trust funds and deposits**

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 26).

**(p) Borrowings**

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

***Borrowing Costs***

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

**(q) Employee costs and benefits**

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

***Wages and salaries and annual leave***

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

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

***Long service leave***

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

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

The components of this current liability are measured at:

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

***Classification of employee costs***

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

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

**(r) Leases**

***Finance Leases***

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 4 year period.

***Operating Leases***

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they have 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

**(t) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 36 contingent liabilities.

**(u) 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 note and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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

**(v) Pending accounting standards**

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

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

**(v) Pending accounting standards (continued)**

***Leases (AASB 16) (applies 2019/20)***

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

Council has a significant number of operating leases that will be impacted as a result of this change.

**(w) Rounding**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 2 BUDGET COMPARISON**

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. *The Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 10% and \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the material variance is considered to be significant in nature.

The budget figures detailed below are those adopted by Council on 27 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term.

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

**a) Income and Expenditure**

	<b>Budget 2017 \$'000</b>	<b>Actual 2017 \$'000</b>	<b>Variance 2017 \$'000</b>	<b>Variance %</b>	<b>Ref</b>
<b>Income</b>					
Rates and charges	108,078	108,151	73	0.1	
Statutory fees and fines	5,780	7,271	1,491	25.8	1
User fees	38,311	40,796	2,485	6.5	2
Grants - operating	17,835	20,737	2,902	16.3	3
Grants - capital	1,379	1,476	97	7.0	
Contributions - monetary	5,350	9,277	3,927	73.4	4
Contributions - non-monetary	-	620	620	100.0	
Net gain on disposal of property, infrastructure, plant and equipment	(11)	1,466	1,477	(13,427)	5
Share of net gain/(loss) of associates and joint operation	-	219	(219)	(100.0)	
Interest income	3,000	3,241	241	8.0	
Other income	3,273	3,745	472	14.4	
<b>Total Income</b>	<b>182,995</b>	<b>196,999</b>	<b>14,004</b>	<b>7.7</b>	
<b>Expenses</b>					
Employee costs	70,977	68,177	2,800	3.9	6
Materials and services	55,149	54,739	410	0.7	
Depreciation and amortisation	25,350	24,656	694	2.7	
Interest expense	266	266	-	-	
Contributions - Whitehorse Manningham Regional Library Corporation	5,019	5,026	(7)	(0.1)	
Other expenses	2,214	2,200	14	0.6	
<b>Total expenses</b>	<b>158,975</b>	<b>155,064</b>	<b>3,911</b>	<b>2.5</b>	
<b>Surplus for the year</b>	<b>24,020</b>	<b>41,935</b>	<b>17,915</b>	<b>74.6</b>	
<b>Other comprehensive income</b>					
Revaluation of property, infrastructure, plant and equipment	-	743,898	743,898	-	
<b>Total comprehensive result</b>	<b>24,020</b>	<b>785,833</b>	<b>761,813</b>	<b>3,171.6</b>	

**Explanation of material variances**

**1. Statutory fees and fines:** This variance predominantly reflects a \$1.124 million increase in Planning fees mainly due to an increase in the statutory fee levels set by the State Government effective from 13 October 2016, as well as a higher than anticipated number of high cost applications received.

**2. User fees:** This variance primarily relates to a \$2.275 million increase in patronage at the Whitehorse Recycling and Waste Centre during 2016/17.

**3. Grants - operating:** Grants - operating are higher than budget primarily due to \$2.196 million of the 2017-18 Financial Assistance Grant being provided in June 2017 by Victoria Grants Commission. Additional funding was also received for Home and Community Care services of \$0.359 million and Council's Children's Services Centres of \$0.196 million.

**4. Contributions - monetary:** This variance primarily reflects \$3.541 million higher than anticipated public open space contributions resulting from increased property development within the municipality as well as increases in the values of properties being developed. \$0.386 million of unbudgeted contributions to capital projects was also received.

**5. Net gain on disposal of property, infrastructure, plant and equipment:** The net gain on disposal of assets was \$1.477 million higher than budget mainly resulting from the settlement of a property sale in July, which was originally anticipated to occur in June 2016.

**6. Employee costs:** This variance is driven by variances across a number of departments primarily as a result of unfilled vacant positions and staff taking leave. This is also impacted by a marginal reduction in the value of the employee benefit provisions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

## NOTE 2 BUDGET COMPARISON (CONTINUED)

## b) Capital Works

	Budget \$'000	Actual \$'000	Variance \$'000	Variance %	Ref
<b>Capital works area</b>					
Land	-	2,864	(2,864)	100.0	7
Buildings	7,190	4,503	2,687	37.4	8
Building improvements	3,305	3,967	(662)	(20.0)	
<b>Total Property</b>	<b>10,495</b>	<b>11,334</b>	<b>(839)</b>		
Plant, machinery and equipment	3,084	3,573	(489)	(15.9)	
Fixtures, fittings and furniture	359	107	252	70.2	
Computers and telecommunications	988	918	70	7.1	
<b>Total Plant and Equipment</b>	<b>4,431</b>	<b>4,598</b>	<b>(167)</b>		
Roads	5,616	4,976	640	11.4	
Bridges	170	43	127	74.7	
Footpaths and cycleways	3,560	3,875	(315)	(8.8)	
Drainage	1,715	2,216	(501)	(29.2)	
Recreational, leisure and community facilities	3,206	3,584	(378)	(11.8)	
Waste management	280	-	280	100.0	
Parks, open space and streetscapes	3,053	3,562	(509)	(16.7)	
Off street car parks	90	371	(281)	(312.2)	
Other infrastructure	-	100	(100)	(100.0)	
<b>Total Infrastructure</b>	<b>17,690</b>	<b>18,727</b>	<b>(1,037)</b>		
<b>Total capital works</b>	<b>32,616</b>	<b>34,659</b>	<b>(2,043)</b>		
<b>Represented by:</b>					
New asset expenditure	2,330	5,149	(2,819)	(121.0)	
Asset renewal expenditure	26,218	25,046	1,172	4.5	
Asset expansion expenditure	2,430	2,526	(96)	(4.0)	
Asset upgrade expenditure	1,638	1,938	(300)	(18.3)	
<b>Total capital works</b>	<b>32,616</b>	<b>34,659</b>	<b>(2,043)</b>		

## Explanation of material variances

**7 Land:** This primarily reflects a \$2.863m property purchase funded from the Public Open Space Reserve.

**8 Buildings:** This variance primarily reflects delayed works that will be carried forward into 2017/18 mainly relating to the Nunawading Community Hub, Bennettswood Pavilion and Blackburn Library Redevelopments.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 3 RATES AND CHARGES**

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. Capital Improved Value is the value of the property, inclusive of land, buildings and other improvements.

The valuation base used to calculate general rates for 2016/17 was:

General rate	\$ 63,595,687,500	(2015/16)	\$47,757,063,001
Recreational rate	\$ 86,164,000	(2015/16)	\$67,703,500

The 2016/17 rate in the dollar of general rate assessments was 0.168069 cents of each dollar of CIV (2015/16: 0.215256 cents).

The total quantum of 'in-lieu of rates' levied on recreational assessments was \$43,445 in 2016/17 (2015/16: \$43,720).

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

	2017 \$'000	2016 \$'000
General rates	106,885	102,798
Supplementary rates and rate adjustments	970	1,199
Cultural and recreational	43	44
Interest on rates and charges	253	220
<b>Total rates and charges</b>	<b>108,151</b>	<b>104,261</b>

**NOTE 4 STATUTORY FEES AND FINES**

Infringement and costs	3,869	3,131
Court recoveries	90	63
Town planning fees	1,962	1,066
Land information certificates	151	146
Building services	604	691
Permits	595	469
<b>Total statutory fees and fines</b>	<b>7,271</b>	<b>5,566</b>

**NOTE 5 USER FEES**

Aged and health services	2,375	2,410
Arts and culture	2,372	2,295
Leisure centre and recreation	12,069	11,923
Child care/children's programs	4,416	4,205
Parking	3,386	3,375
Registration and other permits	1,619	1,559
Building services	162	168
Waste management services	12,795	10,520
Other fees and charges	1,602	942
<b>Total user fees</b>	<b>40,796</b>	<b>37,397</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$'000	2016 \$'000
<b>NOTE 6 GRANTS</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	18,176	7,442
State funded grants	3,985	10,061
Other	52	19
<b>Total grants received</b>	<b>22,213</b>	<b>17,522</b>
<b>Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Aged and disability services	6,136	-
Community Safety	28	-
Family and children	2,814	2,718
General home care	1,314	1,277
Victoria Grants Commission	6,439	2,098
Other	46	41
	<b>16,777</b>	<b>6,134</b>
<b><i>Recurrent - State Government</i></b>		
Aged and disability services	1,646	7,474
Community safety	191	188
Family and children	502	702
Maternal and child health	1,096	994
School crossing supervisors	319	311
Other	29	25
	<b>3,783</b>	<b>9,694</b>
<b><i>Other Recurrent Grants</i></b>		
Family and children	17	19
	<b>17</b>	<b>19</b>
<b>Total recurrent operating grants</b>	<b>20,577</b>	<b>15,847</b>
<b><i>Non-Recurrent - State Government</i></b>		
Business and economic development	12	15
Community health	-	23
Community planning	35	-
Community safety	9	-
Natural Disaster	64	-
Transport	-	30
Other	5	11
	<b>125</b>	<b>79</b>
<b><i>Other Non-Recurrent Grants</i></b>		
Community planning	30	-
Family and children	5	-
	<b>35</b>	<b>-</b>
<b>Total non-recurrent operating grants</b>	<b>160</b>	<b>79</b>
<b>Total operating grants</b>	<b>20,737</b>	<b>15,926</b>
<b>Capital Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Roads to Recovery	1,379	1,194
<b>Total recurrent capital grants</b>	<b>1,379</b>	<b>1,194</b>
<b><i>Non-Recurrent - Commonwealth Government</i></b>		
Infrastructure	20	114
	<b>20</b>	<b>114</b>
<b><i>Non-recurrent - State Government</i></b>		
Buildings	30	150
Drainage	17	-
Footpaths and cycleways	30	13
Infrastructure	-	125
	<b>77</b>	<b>288</b>
<b>Total non-recurrent capital grants</b>	<b>97</b>	<b>402</b>
<b>Total capital grants</b>	<b>1,476</b>	<b>1,596</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$'000	2016 \$'000
<b>NOTE 6 GRANTS (CONTINUED)</b>		
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Balance at start of year	191	90
Received during the financial year and remained unspent at balance date	42	191
Received in prior years and spent during the financial year	(191)	(90)
Balance at year end	<u>42</u>	<u>191</u>
<b>NOTE 7 CONTRIBUTIONS</b>		
Monetary	9,277	6,613
Non-monetary	620	23,318
<b>Total contributions</b>	<u>9,897</u>	<u>29,931</u>
Contributions of non monetary assets were received in relation to the following asset classes:		
Land	256	22,946
Infrastructure	364	372
	<u>620</u>	<u>23,318</u>
<b>NOTE 8 NET GAIN ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>		
Proceeds of sale	5,137	1,705
Written down value of assets disposed	(3,671)	(1,603)
<b>Total net gain on disposal of property, infrastructure, plant and equipment</b>	<u>1,466</u>	<u>102</u>
<b>NOTE 9 INVESTMENTS IN ASSOCIATES AND JOINT OPERATION</b>		
Investments in associates and joint operation accounted for by the equity method are:		
- Whitehorse Manningham Regional Library Corporation	5,800	5,333
- Narre Warren User Group	940	930
- Regional Landfill Clayton South	1,065	1,422
<b>Fair value of Council's investment in associates and joint operation</b>	<u>7,805</u>	<u>7,685</u>
Share of net gain/(loss) of associates and joint operation		
- Whitehorse Manningham Regional Library Corporation	467	724
- Narre Warren User Group	10	18
- Regional Landfill Clayton South	(258)	210
<b>Total share of net gain/(loss) at 30 June</b>	<u>219</u>	<u>952</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 9 INVESTMENTS IN ASSOCIATES AND JOINT OPERATION (CONTINUED)**

**(a) Investment in associates**

**Whitehorse Manningham Regional Library Corporation**

On 21 December 1995 Council's library operation was combined with the Regional Authority to form Whitehorse Manningham Regional Library Corporation (the Corporation). Council has a 60% interest (as per funding responsibilities) and a 68.75% (2015/16: 68.00%) economic entitlement in the net assets of the Corporation but does not have effective control, as both Whitehorse and Manningham councils possess the same voting rights on the board of management. The Corporation is established by agreement between the two participating councils. The principal activity of the Corporation is the lending of books and other materials.

	<b>2017 \$000</b>	<b>2016 \$000</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	2,665	1,870
Share of surplus(deficit) for year	398	35
Transfers (to) from reserves	39	(19)
Amendment to share of surplus based on audited results	-	779
Share of accumulated surplus at 30 June	<u>3,102</u>	<u>2,665</u>
<b>Council's share of reserves</b>		
Council's share of reserve at start of year	2,668	2,739
Transfers (to) from reserves	30	(71)
Council's share of reserves at end of year	<u>2,698</u>	<u>2,668</u>
<b>Movement in carrying value of investment</b>		
Carrying value of investment at start of year	5,333	4,609
Share of surplus (deficit) for the year	398	35
Transfers (to) from reserves	69	(90)
Amendment to share of surplus based on audited results	-	779
Carrying value of investment at end of year	<u>5,800</u>	<u>5,333</u>

**Narre Warren User Group**

Council holds an interest of 48.88% (2015/16: 48.88%) in Narre Warren User Group (NWUG). The principal activity of NWUG is to monitor the closed regional landfill that was previously used by Council. Contributions by Council to NWUG during the period totalled nil (2015/16: nil). Council holds the cash investment for NWUG and surplus is generated from the interest and gas royalty returns less site monitoring costs.

<b>Movement in carrying value of investment</b>		
Carrying value of investment at start of year	930	912
Share of surplus for the year	10	18
Carrying value of investment at end of year	<u>940</u>	<u>930</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 9 INVESTMENTS IN ASSOCIATES AND JOINT OPERATION (CONTINUED)**

**(b) Joint Operation**

**Regional Landfill Clayton South**

Council holds an interest of 14.12% (2015/16:14.12%) in Regional Landfill Clayton South. The principal activity is the provision of a refuse disposal site for member Councils.

	2017 \$000	2016 \$000
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus at start of year	1,422	1,736
Reported surplus/(deficit) for year	(258)	210
Council's share of rehabilitation funding obligation	(99)	(524)
Council's share of accumulated surplus/(deficit) at end of year	<u>1,065</u>	<u>1,422</u>
<b>Movement in carrying value of investment</b>		
Carrying value of investment at start of year	1,422	1,736
Share of surplus/(deficit) for year	(258)	210
Share of rehabilitation funding obligation	(99)	(524)
Carrying value of investment at 30 June	<u>1,065</u>	<u>1,422</u>

The Clayton landfill provision is calculated using the present value of aftercare costs associated with the site based on independent advice from landfill experts Golder Associates.

The provision includes capping and gas infrastructure capital works and additional aftercare management costs for the next 28 years until 2045. The provision is reassessed at the end of each reporting period in order to ensure that it accurately reflects the cost of aftercare management of the site. Further costs may arise for future aftercare of the landfill site however at this stage, these costs are too uncertain to reliably determine.

At balance date the landfill itself retains sufficient liquidity to fund the post closure capital works and aftercare management costs for the medium term. It is, however likely that additional Council funding will be required to support the entity in the longer term. Council has recognised its share of the future funding obligation as a Non current 'Other Liability'. Refer to Note 29.

**NOTE 10 INTEREST INCOME**

Interest earned from cash, cash equivalents and financial assets	3,241	2,818
<b>Total interest income</b>	<u>3,241</u>	<u>2,818</u>

**NOTE 11 OTHER INCOME**

Cost recovery income	499	502
Recycling income	1,599	1,687
Rent	780	665
Other	867	818
<b>Total other income</b>	<u>3,745</u>	<u>3,672</u>

**NOTE 12 (a) EMPLOYEE COSTS**

Wages and salaries	54,948	54,769
Casual staff	5,079	4,589
Superannuation	5,319	5,309
Fringe benefits tax	787	755
Staff development	930	963
WorkCover	1,114	810
<b>Total employee costs</b>	<u>68,177</u>	<u>67,195</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>NOTE 12 (b) SUPERANNUATION</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	494	538
	<u>494</u>	<u>538</u>
There were no employer contributions payable at reporting date.		
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,118	3,204
Employer contributions - other funds	1,707	1,566
	<u>4,825</u>	<u>4,770</u>
Employer contributions payable at reporting date	\$0.493m	\$0.637m
<i>Refer to note 35 for further information relating to Council's superannuation obligations.</i>		
<b>NOTE 13 MATERIALS AND SERVICES</b>		
Building maintenance	1,960	1,814
Consultants	232	155
Contract payments	32,197	31,011
Council election	572	-
Energy efficient street lighting	884	-
General maintenance	1,017	1,010
Information technology	1,554	1,412
Insurance	940	835
Legal expenses	1,145	1,176
Materials and supplies	3,646	3,993
Office administration	2,277	2,039
Utilities	3,986	4,360
Other services	4,329	4,311
<b>Total materials and services</b>	<u>54,739</u>	<u>52,116</u>
<b>NOTE 14 DEPRECIATION AND AMORTISATION</b>		
Property	6,798	6,998
Plant and equipment	3,673	3,841
Infrastructure	13,774	13,199
Intangibles	411	525
<b>Total depreciation and amortisation</b>	<u>24,656</u>	<u>24,563</u>
<i>Refer to Note 23 for a more detailed breakdown of depreciation and Note 24 for details of amortisation.</i>		
<b>NOTE 15 BORROWING COSTS</b>		
Interest on loans and borrowings	266	299
<b>Total borrowing costs</b>	<u>266</u>	<u>299</u>
<b>NOTE 16 CONTRIBUTIONS EXPENSE</b>		
Whitehorse Manningham Regional Library Corporation (WMRLC)	5,026	4,787
<b>Total contributions expense</b>	<u>5,026</u>	<u>4,787</u>
<i>Refer to note 9 for further information relating to Council's investment in WMRLC.</i>		
<b>NOTE 17 OTHER EXPENSES</b>		
Bad and doubtful debts	58	45
Community grants	940	946
Auditor's remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	70	69
Auditor's remuneration - Internal audit	129	141
Councillor allowances	369	382
Operating lease rentals	375	377
Fire Services Property Levy	213	195
Other expenses	46	29
<b>Total other expenses</b>	<u>2,200</u>	<u>2,184</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>NOTE 18 CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	13,205	9,116
Term deposits	5,000	5,000
<b>Total cash and cash equivalents</b>	<b>18,205</b>	<b>14,116</b>
Other financial assets (refer note 19)	125,723	100,643
<b>Total cash, cash equivalents and other financial assets</b>	<b>143,928</b>	<b>114,759</b>
Council's cash, cash equivalents and other financial assets are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits	9,899	9,232
Public open space reserve	23,804	18,519
Car parking in lieu reserve	34	34
<b>Total restricted funds</b>	<b>33,737</b>	<b>27,785</b>
<b>Total unrestricted cash, cash equivalents and other financial assets</b>	<b>110,191</b>	<b>86,974</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Aged care reserve	10,431	10,217
- Development reserve	35,075	28,592
- Waste management reserve	2,999	3,276
- Art collection reserve	11	11
	<b>48,516</b>	<b>42,096</b>
<b>NOTE 19 OTHER FINANCIAL ASSETS</b>		
Term deposits	125,723	100,643
<b>Total other financial assets</b>	<b>125,723</b>	<b>100,643</b>
<b>NOTE 20 TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	3,264	3,069
Fire Services Property Levy debtors	372	327
Parking debtors	2,863	2,668
Provision for doubtful debts - parking debtors	(2,198)	(2,025)
GST Receivable	1,857	1,456
<i>Non statutory receivables</i>		
Unsecured loans and advances	43	42
Community loan - Nunawading Gymnastics and Sports Club	3	3
Provision for doubtful debts - community loan	(1)	(1)
Other debtors	4,746	4,199
Provision for doubtful debts - other debtors	(93)	(81)
<b>Total trade and other receivables - current</b>	<b>10,856</b>	<b>9,657</b>
<b>Non-current</b>		
<i>Non statutory receivables</i>		
Unsecured loans and advances	5	7
Community loan - Nunawading Gymnastics and Sports Club	77	79
Provision for doubtful debts - community loan	(38)	(40)
<b>Total trade and other receivables - non-current</b>	<b>44</b>	<b>46</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>NOTE 20 TRADE AND OTHER RECEIVABLES (CONTINUED)</b>		
<b>(a) Ageing of receivables</b>		
At balance date other debtors representing financial assets were past due but not impaired. The ageing of Council's other receivables (excluding statutory receivables) was:		
Current (not yet due)	4,383	3,862
30-60 days	140	222
61-90 days	52	23
Over 90 days	171	92
<b>Other debtors</b>	<b>4,746</b>	<b>4,199</b>
<b>(b) Movement in provision for doubtful debts - other debtors</b>		
Balance at 1 July	81	54
New provisions recognised during the year	65	77
Amounts already provided for and written off as uncollectible	(39)	(43)
Amounts provided for but recovered during the year	(14)	(7)
<b>Balance at 30 June</b>	<b>93</b>	<b>81</b>
<b>(c) Ageing of individually impaired Receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of \$0.093m (2015/16: \$0.081m) were impaired. The amount of the provision raised against these debtors was \$0.093m (2015/16: \$0.081m). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of other debtors that have been individually determined as impaired at reporting date was:		
Current (not yet due)	4	-
30-60 days	6	-
61-90 days	7	12
Over 90 days	76	69
<b>Total trade &amp; other receivables</b>	<b>93</b>	<b>81</b>
<b>NOTE 21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land	18,930	1,430
Buildings	24	-
	<b>18,954</b>	<b>1,430</b>
In April 2016 Council having considered public submissions resolved to sell the property known as 2-4 Bruce Street Box Hill in accordance with the public notice published in The Age on 20 February 2016. Negotiations are proceeding as at balance date.		
In July 2016 Council resolved at a Special Meeting to accept a formal offer to sell the property known as 517-521 Station Street, Box Hill. The final sale settlement will occur upon final planning approval being granted which is likely to occur in 2018/19.		
<b>NOTE 22 OTHER ASSETS</b>		
Prepayments	2,136	1,005
Stores and materials	37	41
Nursery plant stock	177	170
<b>Total other assets</b>	<b>2,350</b>	<b>1,216</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At Fair Value	At Cost	Accumulated Depreciation	WDV	Acquisitions	Contributions	Revaluation	Depreciation	Transfers	At Cost	At Fair Value	Accumulated Depreciation	WDV
	30 June 2016 \$'000	30 June 2016 \$'000	30 June 2016 \$'000	30 June 2016 \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	30 June 2017 \$'000	30 June 2017 \$'000	30 June 2017 \$'000	30 June 2017 \$'000
Land	1,410,942	-	-	1,410,942	2,864	256	717,981	-	(18,930)	-	2,113,113	-	2,113,113
Buildings	472,721	-	(188,385)	284,336	5,161	-	22,358	(6,798)	880	-	498,637	(193,556)	305,081
Plant and Equipment	-	30,602	(14,988)	15,614	4,196	-	-	(3,673)	6	32,112	-	(17,354)	14,758
Infrastructure	816,859	-	(307,500)	509,359	15,485	364	3,559	(13,774)	1,114	-	837,381	(321,274)	516,107
Work in progress	3,034	-	-	3,034	6,574	-	-	-	(2,121)	-	7,487	-	7,487
	<u>2,703,556</u>	<u>30,602</u>	<u>(510,873)</u>	<u>2,223,285</u>	<u>34,280</u>	<u>620</u>	<u>743,898</u>	<u>(24,245)</u>	<u>(19,051)</u>	<u>32,112</u>	<u>3,456,618</u>	<u>(532,184)</u>	<u>2,956,546</u>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Buildings	1,760	3,308	(904)	4,164
Plant and Equipment	94	23	(100)	17
Infrastructure	1,180	3,243	(1,117)	3,306
	<u>3,034</u>	<u>6,574</u>	<u>(2,121)</u>	<u>7,487</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)

	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Land and Buildings \$'000
<b>Land and Buildings</b>								
At fair value 30 June 2016	1,373,043	37,899	1,410,942	467,843	4,878	472,721	1,760	1,885,423
Accumulated depreciation at 30 June 2016	-	-	-	(187,575)	(810)	(188,385)	-	(188,385)
<b>Total Land and Buildings</b>	<b>1,373,043</b>	<b>37,899</b>	<b>1,410,942</b>	<b>280,268</b>	<b>4,068</b>	<b>284,336</b>	<b>1,760</b>	<b>1,697,038</b>
<b>Movements in fair value</b>								
Acquisitions of assets at fair value	2,864	-	2,864	5,161	-	5,161	3,308	11,333
Contributed assets	256	-	256	-	-	-	-	256
Revaluation increments/decrements	701,666	16,315	717,981	22,360	(2)	22,358	-	740,339
Fair value of assets disposed	-	-	-	(1,448)	-	(1,448)	-	(1,448)
Transfers	-	-	-	904	-	904	(904)	-
Transfer to non-current assets held for sale	(18,930)	-	(18,930)	(1,059)	-	(1,059)	-	(19,989)
	<b>685,856</b>	<b>16,315</b>	<b>702,171</b>	<b>25,918</b>	<b>(2)</b>	<b>25,916</b>	<b>2,404</b>	<b>730,491</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	-	-	-	(6,782)	(16)	(6,798)	-	(6,798)
Accumulated depreciation of disposals	-	-	-	592	-	592	-	592
Transfers	-	-	-	1,035	-	1,035	-	1,035
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,155)</b>	<b>(16)</b>	<b>(5,171)</b>	<b>-</b>	<b>(5,171)</b>
At fair value 30 June 2017	2,058,899	54,214	2,113,113	493,761	4,876	498,637	4,164	2,615,914
Accumulated depreciation at 30 June 2017	-	-	-	(192,730)	(826)	(193,556)	-	(193,556)
	<b>2,058,899</b>	<b>54,214</b>	<b>2,113,113</b>	<b>301,031</b>	<b>4,050</b>	<b>305,081</b>	<b>4,164</b>	<b>2,422,358</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Work In Progress \$'000	Total Plant and Equipment \$'000
<b>Plant and Equipment</b>					
At cost 30 June 2016	19,122	5,092	6,388	94	30,696
Accumulated depreciation at 30 June 2016	(9,334)	(1,255)	(4,399)	-	(14,988)
	<u>9,788</u>	<u>3,837</u>	<u>1,989</u>	<u>94</u>	<u>15,708</u>
<b>Movements in cost</b>					
Acquisition of assets at cost	3,573	107	516	23	4,219
Contributed assets	-	-	-	-	-
Cost of assets disposed	(2,684)	(7)	(1)	-	(2,692)
Transfers	-	6	-	(100)	(94)
	<u>889</u>	<u>106</u>	<u>515</u>	<u>(77)</u>	<u>1,433</u>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(2,551)	(207)	(915)	-	(3,673)
Accumulated depreciation of disposals	1,299	7	1	-	1,307
Transfers	-	-	-	-	-
	<u>(1,252)</u>	<u>(200)</u>	<u>(914)</u>	<u>-</u>	<u>(2,366)</u>
At cost 30 June 2017	20,011	5,198	6,903	17	32,129
Accumulated depreciation at 30 June 2017	(10,586)	(1,455)	(5,313)	-	(17,354)
	<u>9,425</u>	<u>3,743</u>	<u>1,590</u>	<u>17</u>	<u>14,775</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and Community \$'000	Parks open spaces and streetscapes \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
<b>Infrastructure</b>										
At fair value 30 June 2016	313,456	700	113,308	214,964	45,681	101,711	5,063	21,976	1,180	818,039
Accumulated depreciation at 30 June 2016	(110,787)	(226)	(61,856)	(82,953)	(19,915)	(21,635)	(3,897)	(6,231)	-	(307,500)
	<u>202,669</u>	<u>474</u>	<u>51,452</u>	<u>132,011</u>	<u>25,766</u>	<u>80,076</u>	<u>1,166</u>	<u>15,745</u>	<u>1,180</u>	<u>510,539</u>
<b>Movements in fair value</b>										
Acquisition of assets at fair value	3,744	43	3,875	2,128	2,607	2,856	181	51	3,243	18,728
Contributed assets	12	-	-	352	-	-	-	-	-	364
Revaluation increments/decrements	5,330	-	(6,552)	-	-	-	2,413	2,368	-	3,559
Fair value of assets disposed	-	-	-	-	-	-	-	-	-	-
Transfers	317	-	392	142	46	187	23	7	(1,114)	-
	<u>9,403</u>	<u>43</u>	<u>(2,285)</u>	<u>2,622</u>	<u>2,653</u>	<u>3,043</u>	<u>2,617</u>	<u>2,426</u>	<u>2,129</u>	<u>22,651</u>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(4,596)	(35)	(1,325)	(2,204)	(2,361)	(2,519)	(161)	(573)	-	(13,774)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	<u>(4,596)</u>	<u>(35)</u>	<u>(1,325)</u>	<u>(2,204)</u>	<u>(2,361)</u>	<u>(2,519)</u>	<u>(161)</u>	<u>(573)</u>	<u>-</u>	<u>(13,774)</u>
At fair value 30 June 2017	322,859	743	111,023	217,586	48,334	104,754	7,680	24,402	3,309	840,690
Accumulated depreciation at 30 June 2017	(115,383)	(261)	(63,181)	(85,157)	(22,276)	(24,154)	(4,058)	(6,804)	-	(321,274)
	<u>207,476</u>	<u>482</u>	<u>47,842</u>	<u>132,429</u>	<u>26,058</u>	<u>80,600</u>	<u>3,622</u>	<u>17,598</u>	<u>3,309</u>	<u>519,416</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)**

Council performs a full revaluation of its revalued asset classes every three years. In the interim years, Council performs a desktop review of its revalued asset classes to ensure that there is no material difference between the fair value and the carrying amount of these asset classes.

**Valuation of Land and Buildings**

A full valuation of land and buildings was undertaken at 30 June 2017 by an independent valuation firm, Matheson Stephen Valuations. The name of the valuer from the firm was Ms Lee-Ming Tan (AAPI Certified Practising Valuer Registration 72912). The valuer reported to Council's Property Supervisor Mr Rohan Fiedler (AAPI Certified Practising Valuer Registration 62553) and Councils Manager Property and Rates, Mr Tony Peak (AAPI Certified Practising Valuer Registration 62445).

The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. The valuation of buildings is at fair value, being the depreciated replacement cost of the buildings based on the remaining economic life. The valuations include unobservable inputs in the valuation. The adjustment has no impact on the comprehensive income statement.

In 2016/17 Council incorporated a discount into the valuation of Crown Land parcels where Council is the appointed Committee of Management. This discount was introduced to recognise the restricted use of this land and amounted to approximately \$17m.

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

Any significant movements in the unobservable inputs for land will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	<b>Level 1 \$000</b>	<b>Level 2 \$000</b>	<b>Level 3 \$000</b>
Land - Non specialised	-	54,214	-
Land - Specialised	-	-	2,058,899
Buildings - Non specialised	-	4,050	-
Buildings - Specialised	-	-	301,031
<b>Total</b>	-	<b>58,264</b>	<b>2,359,930</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)**

**Valuation of Infrastructure**

A formal valuation of roads was conducted in the 2016/17 year as part of the 3 year rotation cycle. In the 2016/17 year, a desktop review of drainage did not indicate a material difference between the fair value and the carrying amount to warrant a full revaluation.

Valuation of roads (which includes pavement, substructure, kerb and channel, footpaths, traffic management devices and car parks) and drainage assets are undertaken by Council's Manager of Engineering and Environmental Services, Mr Ilias Kostopoulos Dip CE, Grad Dip Mun. Eng. and Man., MIE Aust, CPEng. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. It should be noted that in calculating the written down replacement cost of roads and drainage that valuations of infrastructure assets were made using a Greenfields assumption.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
Roads	-	-	207,476
Bridges	-	-	482
Footpaths and cycleways	-	-	47,842
Drainage	-	-	132,429
Recreational, leisure and community facilities	-	-	26,058
Parks open spaces and streetscapes	-	-	80,600
Off street car parks	-	-	3,622
Other infrastructure	-	-	17,598
<b>Total</b>	<b>-</b>	<b>-</b>	<b>516,107</b>

**Description of significant unobservable inputs into level 3 valuations**

**Specialised land**

Specialised land is valued using a market based direct comparison technique, with adjustments made for unobservable inputs including restrictive planning zones, encumbrances on title, adjustments for land size, shape, and topography. The extent and impact of restrictions varies and results in a reduction to surrounding land values of between 5% and 95%. The market value of land varies significantly depending on the characteristics of the land. Currently land values range between \$33 and \$11,110 per square metre.

**Specialised Buildings**

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$135 to \$3,550 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 118 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure Assets**

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. Current replacement costs for road assets are calculated using unit rates based on both a cubic metre basis (ranges from \$128 to \$648 per cubic metre) and a square metre basis (ranges from \$7.30 to \$147.50 per square metre) depending on the material used. Current replacement costs for drainage are calculated using unit rates based on metres for pipes (ranges from \$65 to \$1,089 per metre) and per unit for pits (ranges from \$1,014 to \$4,313 per pit). The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

<b>Reconciliation of specialised land</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Parks and reserves	2,058,899	1,345,830
<b>Total specialised land</b>	<b>2,058,899</b>	<b>1,345,830</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>NOTE 24 INTANGIBLE ASSETS</b>		
Software	<u>940</u>	<u>878</u>
<b>Gross carrying amount</b>		
Balance at beginning of year	2,822	2,623
Additions	379	199
Transfer	94	-
<b>Balance at end of year</b>	<u>3,295</u>	<u>2,822</u>
<b>Accumulated amortisation and impairment</b>		
Balance at beginning of year	(1,944)	(1,419)
Amortisation expense	(411)	(525)
<b>Balance at end of year</b>	<u>(2,355)</u>	<u>(1,944)</u>
<b>Net book value at the end of the year</b>	<u>940</u>	<u>878</u>
<b>NOTE 25 TRADE AND OTHER PAYABLES</b>		
Trade payables	<u>16,808</u>	<u>19,814</u>
<b>Total trade and other payables</b>	<u>16,808</u>	<u>19,814</u>
<b>NOTE 26 TRUST FUNDS AND DEPOSITS</b>		
Narre Warren User Group	1,923	1,903
Slater Reserve Stadium Committee of Management	-	21
Fire Services Property Levy	1,311	1,331
Deposits for asset protection	4,831	4,581
Other deposits	1,834	1,396
<b>Total trust funds and deposits</b>	<u>9,899</u>	<u>9,232</u>

**Deposits**

Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works (to protect Council's assets), tender deposits, contract deposits and the use of civic facilities.

**Fire Services Property Levy**

Council is the collection agent for the Fire Services Property Levy on behalf of the State Government. Council remits amounts received on a monthly basis. Amounts disclosed are to be remitted to the State Government in line with this process.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

## NOTE 27 PROVISIONS

	Employee Provisions \$'000	Other Provisions \$'000	Total \$'000
<b>2017</b>			
Balance at beginning of the financial year	16,906	79	16,985
Additional provisions	5,570	-	5,570
Amounts used	(5,613)	(79)	(5,692)
Increase in the discounted amount arising because of time and effect of any change in the discount rate	(403)	-	(403)
Balance at the end of the financial year	<u>16,460</u>	<u>-</u>	<u>16,460</u>
<b>2016</b>			
Balance at beginning of the financial year	15,869	316	16,185
Additional provisions	5,616	79	5,695
Amounts used	(5,009)	(316)	(5,325)
Increase in the discounted amount arising because of time and effect of any change in the discount rate	430	-	430
Balance at the end of the financial year	<u>16,906</u>	<u>79</u>	<u>16,985</u>

**2017**  
**\$'000**

**2016**  
**\$'000**

**(a) Employee Provisions****Current provision expected to be settled within 12 months**

Annual leave	4,221	4,240
Long service leave	<u>849</u>	<u>736</u>
	<u>5,070</u>	<u>4,976</u>

**Current provision expected to be settled after 12 months**

Annual leave	1,032	1,049
Long service leave	<u>8,577</u>	<u>9,139</u>
	<u>9,609</u>	<u>10,188</u>
<b>Total current employee provisions</b>	<u>14,679</u>	<u>15,164</u>

**Non-current**

Long service leave	<u>1,781</u>	<u>1,742</u>
<b>Total non-current employee provisions</b>	<u>1,781</u>	<u>1,742</u>

**Aggregate carrying amount of employee provisions**

Current	14,679	15,164
Non-current	<u>1,781</u>	<u>1,742</u>
<b>Total aggregate carrying amount of employee provisions</b>	<u>16,460</u>	<u>16,906</u>

**(b) Other provisions**

Current	<u>-</u>	<u>79</u>
	<u>-</u>	<u>79</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>NOTE 28 INTEREST BEARING LOANS AND BORROWINGS</b>		
<b>Current</b>		
Loans and borrowings - secured (1)	426	392
Finance lease	10	10
	<u>436</u>	<u>402</u>
<b>Non-current</b>		
Loans and borrowings - secured (1)	5,000	5,426
Finance lease	8	18
	<u>5,008</u>	<u>5,444</u>
<b>Total</b>	<u>5,444</u>	<u>5,846</u>
(1) Council's borrowings are secured by way of mortgage over general rate income.		
<b>(a) The maturity profile for Council's borrowings is:</b>		
Not later than one year	426	392
Later than one year and not later than five years	5,000	5,426
Later than five years	-	-
	<u>5,426</u>	<u>5,818</u>
<b>(b) The maturity profile for Council's finance lease liabilities is:</b>		
Not later than one year	10	10
Later than one year and not later than five years	8	18
Later than five years	-	-
	<u>18</u>	<u>28</u>
Minimum future lease payments	21	33
Less future finance charges	3	5
Present value of minimum lease payments	<u>18</u>	<u>28</u>

The Finance Lease repayments are specified within the loan agreement with BOQ Finance Limited.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>NOTE 29 OTHER LIABILITIES</b>		
<b>Non-current</b>		
Clayton Landfill Funding Obligation	1,619	1,719
<b>Total other liabilities - non-current</b>	<u>1,619</u>	<u>1,719</u>

The liability represents Council's share of future funding for the Clayton landfill site's aftercare management costs.  
Refer to Note 9.

**NOTE 30 RESERVES**

	Balance at beginning of reporting period	Increment	Transfer to accumulated surplus	Balance at end of reporting period
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Property</b>				
Land	1,164,097	717,981	-	1,882,078
Buildings	163,597	22,358	-	185,955
	<u>1,327,694</u>	<u>740,339</u>	<u>-</u>	<u>2,068,033</u>
<b>Infrastructure</b>				
Roads	78,833	10,111	-	88,944
Footpaths and cycleways	15,531	(6,552)	-	8,979
Drainage	68,769	-	-	68,769
	<u>163,133</u>	<u>3,559</u>	<u>-</u>	<u>166,692</u>
<b>Total asset revaluation reserves</b>	<u>1,490,827</u>	<u>743,898</u>	<u>-</u>	<u>2,234,725</u>
<b>2016</b>				
<b>Property</b>				
Land	1,164,097	-	-	1,164,097
Buildings	163,597	-	-	163,597
	<u>1,327,694</u>	<u>-</u>	<u>-</u>	<u>1,327,694</u>
<b>Infrastructure</b>				
Roads	78,833	-	-	78,833
Footpaths and cycleways	15,531	-	-	15,531
Drainage	64,438	4,331	-	68,769
	<u>158,802</u>	<u>4,331</u>	<u>-</u>	<u>163,133</u>
<b>Other</b>				
Plant and machinery	2,070	-	(2,070)	-
Equipment, furniture and fittings	737	-	(737)	-
Other structures	729	-	(729)	-
Art collection	597	-	(597)	-
Regional Landfill Clayton South	1,263	-	(1,263)	-
	<u>5,396</u>	<u>-</u>	<u>(5,396)</u>	<u>-</u>
<b>Total asset revaluation reserves</b>	<u>1,491,892</u>	<u>4,331</u>	<u>(5,396)</u>	<u>1,490,827</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

## NOTE 30 RESERVES (CONTINUED)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(b) Other reserves</b>				
<b>2017</b>				
<b>Statutory</b>				
Public open space reserve	9,198	3,832	(1,314)	11,716
Public open space reserve - land acquisitions	9,321	5,630	(2,863)	12,088
Car parking in lieu reserve	34	-	-	34
	<u>18,553</u>	<u>9,462</u>	<u>(4,177)</u>	<u>23,838</u>
<b>Council Resolution</b>				
Development reserve	28,592	6,483	-	35,075
Aged care reserve	10,217	272	(58)	10,431
Art collection reserve	11	-	-	11
Waste management reserve	3,276	-	(277)	2,999
	<u>42,096</u>	<u>6,755</u>	<u>(335)</u>	<u>48,516</u>
<b>Total other reserves</b>	<u>60,649</u>	<u>16,217</u>	<u>(4,512)</u>	<u>72,354</u>
<b>2016</b>				
<b>Statutory</b>				
Public open space reserve	6,894	2,824	(520)	9,198
Public open space reserve - land acquisitions	7,399	4,149	(2,227)	9,321
Car parking in lieu reserve	34	-	-	34
	<u>14,327</u>	<u>6,973</u>	<u>(2,747)</u>	<u>18,553</u>
<b>Council Resolution</b>				
Development reserve	31,079	2,913	(5,400)	28,592
Aged care reserve	10,141	298	(222)	10,217
Art collection reserve	12	-	(1)	11
Waste management reserve	3,276	-	-	3,276
	<u>44,508</u>	<u>3,211</u>	<u>(5,623)</u>	<u>42,096</u>
<b>Total other reserves</b>	<u>58,835</u>	<u>10,184</u>	<u>(8,370)</u>	<u>60,649</u>

**Public open space reserve**

This reserve comprises funds collected from contributions to public open space made by developers. The funds in this reserve are restricted for expenditure on public open space. Interest income generated from the reserve is to be reinvested back into the reserve.

**Public open space reserve - land acquisitions**

This reserve comprises funds collected from contributions to public open space made by developers. The funds in this reserve are restricted for expenditure on public open space, specifically land acquisitions. Interest income generated from the reserve is to be reinvested back into the reserve.

**Car parking in lieu reserve**

This reserve comprises funds provided by developers instead of providing car parking. The funds from this reserve are restricted for expenditure on car parking.

**Development reserve**

This reserve is used for funding capital works programs and for proceeds from sale of assets no longer required by Council. The funds in this reserve are required to be expended in accordance with the reserve governing principles established by Council. Interest income generated from the reserve is to be reinvested back into the reserve.

**Aged care reserve**

This reserve holds in trust the net proceeds secured from the sale as a "going concern" of Council's residential aged care facilities. Access to this reserve must have a legitimate relevance to the aged and disability related groups and must be consistent with the healthy positive ageing strategy adopted by Council in 2005/06. Interest income generated from the reserve is to be reinvested back into the reserve.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 30 RESERVES (CONTINUED)**

**Art collection reserve**

This reserve was established by Council in 2002/03 for the purpose of deaccessioning unwanted art works and for future purchases of art works.

**Waste management reserve**

This reserve was established in 2013/14 as a result of the previous federal government's introduction of the carbon tax levy. The amount represents the difference between the initial carbon tax per tonne that was announced and the actual price charged by independent landfill operators during the past two years. As the carbon tax levy is now abolished, the reserve will be used to rehabilitate landfill sites throughout the municipality.

	2017 \$'000	2016 \$'000
<b>NOTE 31 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS</b>		
Surplus for the year	41,935	51,077
Contributions - non-monetary (Note 7)	(620)	(23,318)
Depreciation and amortisation (Note 14)	24,656	24,563
Net gain on disposal of property, infrastructure, plant and equipment (Note 8 & 23)	(1,466)	(102)
Share of net (gain)/loss of associates and joint operation (Note 9)	(219)	(953)
	<u>64,286</u>	<u>51,267</u>
<b>Change in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(1,197)	(575)
(Increase)/decrease in other current assets	(1,345)	(729)
Increase/(decrease) in trade and other payables	(2,740)	5,243
Increase/(decrease) in trust funds and deposits	667	1,768
Increase/(decrease) in provisions	(314)	800
<b>Net cash provided by operating activities</b>	<u>59,357</u>	<u>57,774</u>
<b>NOTE 32 FINANCING ARRANGEMENTS</b>		
Bank overdraft	100	100
Credit card facilities	81	73
<b>Total facilities</b>	<u>181</u>	<u>173</u>
Used facilities	52	48
Unused facilities	129	125
	<u>181</u>	<u>173</u>

**NOTE 33 COMMITMENTS**

Council has entered into the following commitments:

2017	Less than 1 year \$'000	1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Street sweeping	1,021	519	-	-	1,540
Community programs	33	-	-	-	33
Cleaning of Council buildings	1,299	189	-	-	1,488
Maintenance of Council assets	121	-	-	-	121
Professional services	751	646	-	-	1,397
Other services	251	-	-	-	251
<b>Total operating commitments</b>	<u>3,476</u>	<u>1,354</u>	<u>-</u>	<u>-</u>	<u>4,830</u>
<b>Capital</b>					
Buildings	5,877	-	-	-	5,877
Drainage	-	-	-	-	-
Information Technology	25	-	-	-	25
Parks open spaces and streetscapes	1,120	-	-	-	1,120
<b>Total capital commitments</b>	<u>7,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,022</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 33 COMMITMENTS (CONTINUED)**

	Less than 1 year \$'000	1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2016</b>					
<b>Operating</b>					
Street sweeping	986	1,540	-	-	2,526
Community programs	33	-	-	-	33
Cleaning of Council buildings	1,052	743	39	-	1,834
Maintenance of Council assets	830	9	-	-	839
Professional services	228	73	-	-	301
Other services	717	48	-	-	765
<b>Total operating commitments</b>	<b>3,846</b>	<b>2,413</b>	<b>39</b>	<b>-</b>	<b>6,298</b>
<b>Capital</b>					
Buildings	829	-	-	-	829
Drainage	4	-	-	-	4
Parks open spaces and	481	-	-	-	481
<b>Total capital commitments</b>	<b>1,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,314</b>

**NOTE 34 OPERATING LEASES**

**(a) Operating lease commitments**

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2017 \$'000	2016 \$'000
Not later than one year	278	246
Later than one year and not later than five years	385	288
Later than five years	-	-
	<u>663</u>	<u>534</u>

**(b) Operating lease receivables**

Council has entered into a number of commercial property leases or licensing arrangements. These arrangements consist of operating leases with remaining non-cancellable tenures of between 1 and 10 years. Rental revisions are made on a variety of bases including CPI, fixed percentage and fixed dollar amount.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2017 \$'000	2016 \$'000
Not later than one year	283	238
Later than one year and not later than five years	363	431
Later than five years	69	44
	<u>715</u>	<u>713</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 35 SUPERANNUATION**

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

***Accumulation***

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% required under Superannuation Guarantee legislation (2015/16 9.5%)).

***Defined Benefit***

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

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

***Funding arrangements***

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%.

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

***Employer contributions***

***Regular contributions***

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund's Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/16). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

***Funding calls***

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 35 SUPERANNUATION (CONTINUED)**

**2016 Interim actuarial investigation surplus amounts**

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

**2017 Full triennial actuarial investigation**

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

**Future superannuation contributions**

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$0.492m.

**NOTE 36 CONTINGENT LIABILITIES**

**Defined Benefit Superannuation Scheme**

Council has an obligation under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 35. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

**Guarantees for loans to other entities**

Council has guaranteed bank loans for certain community bodies. Council's liability under its guarantee is listed below:

	<b>Loan balance outstanding</b>	<b>Loan guarantee limit</b>	<b>Loan balance outstanding</b>	<b>Loan guarantee limit</b>
	<b>2017 \$'000</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>	<b>2016 \$'000</b>
Vermont South Club	210	210	227	232
The Whitehorse Club	363	500	366	500
Elgar Park Regional Hockey Association	238	288	340	340
	<u>811</u>	<u>998</u>	<u>933</u>	<u>1,072</u>

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

**Contingent liabilities arising from public liability**

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$400 million of public liability insurance and had an excess of \$20,000 on this policy in 2016/17. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 36 CONTINGENT LIABILITIES (CONTINUED)**

**Contingent liabilities arising from professional indemnity**

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council receives claims and demands for damages allegedly arising from actions of Council or its officers. Council carries \$300 million of professional indemnity insurance and had an excess of \$20,000 on this policy in 2016/17. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. There are no instances or claims of which Council is aware which would fall outside the terms of Council's policy.

**Contingent liabilities arising from legal matters**

Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 37 FINANCIAL INSTRUMENTS**

**(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

**(b) Market risk**

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

***Interest rate risk***

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

- diversification of investment product,
- monitoring of return on investment, and
- benchmarking of returns and comparison with budget.

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

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

**(c) Credit risk**

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

- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 36.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 37 FINANCIAL INSTRUMENTS (CONTINUED)**

**(d) Liquidity risk**

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

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet and the amounts relating to financial guarantees disclosed in Note 36 and is deemed insignificant on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period. With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

**e) Fair value**

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

*Fair value hierarchy*

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

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of + 0.5% and - 0.5% in market interest rates (AUD) from year-end rates of 1.50%.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**2017  
No.**

**NOTE 38 RELATED PARTIES DISCLOSURES**

**(a) Related Parties**

*Parent entity*

Whitehorse City Council is the parent entity.

*Subsidiaries, Associates and Joint Arrangements*

Interests in subsidiaries, associates and joint arrangements are detailed in note 9.

**(b) Key Management Personnel**

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

**Councillors**

Bill Bennett

Raylene Carr

Andrew Davenport

Sharon Ellis

Ben Stennett

Denise Massoud - Mayor from 9 November 2016

Andrew Munroe

Prue Cutts - from 9 November 2016

Tina Liu - from 9 November 2016

Blair Barker - from 15 May 2017

Tanya Tescher - 9 November 2016 to 3 April 2017

Robert Chong AM - 1 July 2016 to 21 October 2016

Helen Harris OAM - 1 July 2016 to 21 October 2016

Philip Daw - 1 July 2016 to 21 October 2016 (presiding Mayor for duration)

**Total Number of Councillors**

**Chief Executive Officer and other Key Management Personnel**

14

5

19

**2017  
\$'000**

**(c) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

Short-term benefits	1,249
Post-employment benefits	118
Long-term benefits	32
Termination benefits	-
<b>Total</b>	<b>1,399</b>

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

**2017  
No.**

**Total remuneration range**

\$1 - \$9,999	3
\$10,000 - \$19,999	1
\$20,000 - \$29,999	2
\$30,000 - \$39,999	7
\$70,000 - \$79,999	1
\$230,000 - \$239,999	1
\$250,000 - \$259,999	1
\$260,000 - \$269,999	2
\$380,000 - \$389,999	1
	<b>19</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 38 RELATED PARTIES DISCLOSURES (CONTINUED)**

**(d) Transactions with related parties**

During the period Council did not enter into any related party transactions.

**(e) Outstanding balances with related parties**

Council did not have any outstanding balances at the end of the reporting period in relation to transactions with a related party.

**(f) Loans to/from related parties**

There were no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

**(g) Commitments to/from related parties**

There were no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

**NOTE 39 SENIOR OFFICER REMUNERATION**

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$142,000

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

	2017 No.	2016 No.
<b>Total remuneration range</b>		
\$142,000 - \$149,999	2	2
\$150,000 - \$159,999	2	2
\$160,000 - \$169,999	4	4
\$170,000 - \$179,999	4	2
\$180,000 - \$189,999	3	4
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	-	-
\$210,000 - \$219,999	2	2
	<u>18</u>	<u>16</u>
Total Remuneration for the reporting year of Senior Officers included above amounted to:	\$3,138,824	\$2,785,144

**NOTE 40 EVENTS OCCURRING AFTER BALANCE DATE**

On 17 July 2017, in accordance Sections 189 & 223 of the Local Government Act 1989, Council having considered public submissions resolved to sell the property known as 2 Carrington Road Box Hill for the consideration of \$2.068m (excluding GST) in accordance with the public notice published in The Age newspaper on 22 April 2017. Council executed the contract at the 17 July 2017 Council meeting.

There are no other matters that occurred after balance date that require disclosure in the financial report.

**CERTIFICATION OF THE ANNUAL FINANCIAL REPORT**

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

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Stuart Cann CPA  
**Principal Accounting Officer**  
**Dated:** 21 August 2017  
Nunawading

In our opinion, the Financial Statements present fairly the financial transactions of Whitehorse City Council for the year ended 30 June 2017 and the financial position of Council as at that date.

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

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

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Denise Massoud  
**Mayor**  
**Dated:** 21 August 2017  
Nunawading

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Ben Stennett  
**Councillor**  
**Dated:** 21 August 2017  
Nunawading

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Noelene Duff  
**Chief Executive Officer**  
**Dated:** 21 August 2017  
Nunawading