



**Moreland**  
City Council

## **SPECIAL COUNCIL AGENDA**

Thursday 23 September 2021

Commencing 6 pm

The meeting will be held via video conference and livestreamed

### **Language Link**

This is the Agenda for the Council meeting.  
For assistance with any of the agenda items,  
please telephone 9240 1111.

---

這是市政會會議的議程。您若在理解議程中有需要協助的地方，請打電話給“語言連接 (Language Link)”翻譯服務，號碼9280 1910。

---

Questo è l'ordine del giorno per la Riunione del consiglio Comunale. Se hai bisogno di aiuto sugli argomenti in discussione, sei pregato di telefonare al Language Link al numero 9280 1911.

---

Αυτή είναι η Ημερήσια Διάταξη για τη Συνεδρίαση του Συμβουλίου (Council Meeting). Για βοήθεια με οποιοδήποτε από τα θέματα της ημερήσιας διάταξης, παρακαλείστε να τηλεφωνήσετε στο Γλωσσικό Σύνδεσμο (Language Link), στο 9280 1912.

---

هذا هو جدول أعمال اجتماع المجلس البلدي. للمساعدة بأي بند من بنود جدول الأعمال الرجاء الاتصال بخط Language Link على الرقم 9280 1913.

Belediye Meclisi Toplantısının gündem maddeleri burada verilmiştir. Bu gündem maddeleri ile ilgili yardıma ihtiyacınız olursa, 9280 1914 numaralı telefondan Language Link tercüme hattını arayınız.

---

Đây là Nghị Trình cuộc họp của Ủy Ban Quy Hoạch Đô Thị. Nếu muốn biết thêm chi tiết về đề tài thảo luận, xin gọi điện thoại cho Language Link qua số 9280 1915.

---

यह काँसिल की बैठक का कार्यक्रम है। कार्यक्रम के किसी भी विषय के बारे में सहायता के लिए कृपया 9280 1918 पर फोन कीजिए।

---

这是市政府例会的议题安排，如果需要协助了解任何议题内容，请拨打9280 0750。

---

ਇਹ ਕੌਂਸਲ ਦੀ ਮੀਟਿੰਗ ਦਾ ਏਜੰਡਾ ਹੈ। ਏਜੰਡੇ ਦੀ ਕਿਸੇ ਆਈਟਮ ਬਾਰੇ ਮਦਦ ਲਈ, ਕ੍ਰਿਪਾ ਕਰਕੇ 9280 0751 ਤੇ ਟੇਲੀਫੋਨ ਕਰੋ।

1. **WELCOME**
2. **APOLOGIES/LEAVE OF ABSENCE**
3. **DISCLOSURES OF CONFLICTS OF INTEREST**
4. **COUNCIL REPORTS**
  - 4.1 2020/21 FINANCIAL STATEMENTS AND PERFORMANCE STATEMENTS

3

## 4. COUNCIL REPORTS

### 4.1 2020/21 FINANCIAL STATEMENTS AND PERFORMANCE STATEMENTS

**Director Business Transformation, Sue Vujcevic**

#### **Finance Management**

---

#### **Officer Recommendation**

That Council, in accordance with the recommendations of the Audit and Risk Management Committee, and having considered Council's Financial and Performance Statements for 2020/21 at Attachments 1 and 2 to this report:

1. Approves 'in principle' the Financial and Performance Statements 2020/21.
2. Authorises the Mayor, Cr Annalivia Carli Hannan, Deputy Mayor, Cr Mark Riley, and the Chief Executive Officer, Cathy Henderson, to certify the Financial and Performance Statements for 2020/21 in their final form.
3. Notes the unrestricted cash surplus of \$4.176 million transfers to the Local Government Funding Vehicle Reserve.
4. Carries forward the \$1.082 million of tied grant funding or contributions that were not spent at 30 June 2021.
5. Carries forward the \$0.622 million of operating projects into the 2021/22 Operating Projects Expenditure Program.
6. Carries forward the \$13.752 million of capital project funds into the 2021/22 Capital Expenditure program.
7. Authorises the repayment of the \$8.0 million interest only loan in November 2021.
8. Authorises the Principal Accounting Office to implement any minor administrative changes to the Financial and Performance Statements for 2020/21 if recommended by the Auditor-General upon final review, for approval by the Chief Executive Officer.

<b>REPORT</b>
---------------

#### **Executive Summary**

Council's Financial and Performance Statements (the Statements) for the 2020/21 financial year have been prepared and reviewed by the Victorian Auditor General's Office and Council's Audit and Risk Management Committee.

This report seeks Council's 'in principle' approval of the Statements and the appointment of 2 Councillors and the Chief Executive Officer to sign the 2020/21 Statements in their final form.

Council is reporting an accounting surplus of \$29.392 million for the financial year 2020/21. This accounting surplus includes items such as non-cash contributions, capital grants, loan redemptions and committed capital or operational expenditure for future years.

After excluding non-cash items included in the accounting surplus, capital expenditure and committed funding requirements, Council had an unrestricted surplus of \$4.176 million.

It is recommended that Council commits the unrestricted surplus of \$4.176 million to the Local Government Funding Vehicle Reserve. Council has a loan that is due for renewal during the 2021-22 financial year. The additional transfer to the reserve will mean Council needs to utilise a lesser amount of the cash reserves to pay off the loan.

## Previous Council Decisions

Nil.

### 1. Policy Context

Section 132 of the *Local Government Act 1989* (the Act) requires a Council to:

- Pass a resolution giving its approval, 'in principle', to the Financial and Performance Statements before they are submitted to the Auditor.
- Authorise 2 Councillors to certify the Statements in their final form, after any changes recommended or agreed by the Auditor have been made.

This report is in keeping with Council's commitment to accountability and sound financial management.

While the *Local Government Act 2020* is now in operation, the State Government announced that reports for the 2020/21 year should be produced under the 1989 Act.

### 2. Background

Preliminary audit work has been completed by the Victorian Auditor General's Office (VAGO), and Council officers have prepared a draft set of the Financial and Performance Statements for 2020/21 (the Statements) for submission to the Auditor-General in accordance with the Act (the Statements are included at **Attachments 1 and 2**). VAGO has advised the Audit and Risk Management Committee that, subject to a review of the final version, it intends to recommend to the Auditor-General that Council's 2020/21 Statements should be given confirming audit opinions without qualification.

The following process is required to ensure Council's 2020/21 Statements are submitted to the Auditor-General in a timely manner, enabling the Auditor-General to officially express his opinion prior to the statutory deadline of 30 September 2021:

- Council must review the draft Statements, approve the Statements 'in principle' and authorise 2 specific Councillors and the Chief Executive Officer to sign the Statements. The 'in principle' Statements and the Council resolution are provided to VAGO;
- VAGO checks the approved 'in principle' Statements. These Statements, the Council resolution and VAGO's recommended Audit Report are then forwarded to the Auditor-General for review;
- The Auditor-General reviews the Statements and requests changes where appropriate;
- The Principal Accounting Officer considers any changes requested by the Auditor-General and, where appropriate, incorporates them into the 'in principle' Statements;
- The Principal Accounting Officer will identify matters of significance, if any, including proposed qualification issues, not previously considered by the Council, for approval by the Chief Executive Officer in consultation with the Mayor and Deputy Mayor;
- If Council and the Auditor-General are satisfied with the Statements in their final form, the Statements are to be signed by the 2 authorised Councillors and the Chief Executive Officer, and forwarded to the Auditor-General;
- The signed Auditor-General's Audit Reports will be issued to Council once the formally signed Statements have been received and checked by VAGO; and

- Council's 2020/21 Annual Report will include the audited Statements once they have been forwarded to the Minister for Local Government by 30 September 2021.

### 3. Issues

#### Key outcomes of the 2020/21 accounts

Council is reporting an accounting surplus of \$29.392 million for the financial year 2020/21. This accounting profit includes items such as non-cash contributions, capital grants, loan redemptions and committed capital or operational expenditure for future years.

#### Significant income statement movements

Major differences in the income statement compared to last year include:

##### Revenue

- Increase in rates and charges of \$4.678 million. This was primarily driven by Council rates increasing by 2.0%, the annualised impact of supplementary rates from 2020/21, supplementary rates received in 2020/21 and an increase in the waste charge due to the roll out of the Food Organics, Green Organics (FOGO) services to the municipality.
- Decrease in statutory fees and fines of \$2.237 million. This is primarily due to the ongoing impacts of several COVID-19 lockdowns throughout the year.
- Increase in grants operating of \$11.133 million, primarily due to the Working for Victoria program as well as several other non-recurrent COVID relief grant programs.
- Increase in grants – capital by \$4.235 primarily due to the non-recurrent nature of the grants.
- Council's investment properties have increased in value by \$1.225 million in the current year which is a variance of \$2.109 million against the loss recorded in 2019/20.

##### Expenses

- Increase in employee costs of \$14.646 million. This is primarily due to the State Government funded Working for Victoria program. This program employed 308 FTE on a 6-month temporary basis in jobs that support the community during the coronavirus pandemic.
- Increase in materials and services of \$4.739 primarily due to higher costs relating to the closure and ongoing capacity restrictions for our six leisure centre facilities. Insurance costs also increased by \$1.015 in comparison to the 2019/20 costs.

#### Capital works statement

Council capitalised \$38.810 million in the 2020/21 financial year as compared to \$44.486 in 2019/20. This is largely due to the quantum of land purchased as part of the "A Park Close to Home" Framework capitalised during the 2019/20 financial year.

#### Cash flow statement

Council's cash and cash equivalents remained at the same levels as 2019/20 with a minor decrease of \$0.116 million. Including term deposits greater than 90 days (other financial assets) to this balance, there is an increase of \$9.884 million (\$108.925 million in 2020/21 and \$99.041 million in 2019/20).

## Carry Forwards

Base carry forwards include any grants or contributions that were received during the 2020/21 financial year, which have agreed spending obligations or conditions that have not been fully completed at 30 June 2021. **Attachment 3** provides a detailed list of the \$1.083 million of grants or contributions that do not meet the conditions or materiality threshold to be treated as a liability as per accounting standards.

Operating projects have a year-end carry forward position of \$0.622 million.

**Attachment 3** provides a detailed list of the projects.

The 2020/21 Capital Works Program saw a year-end carry forward position of \$13.752 million. The third quarterly forecast was endorsed at the June 2021 Council Meeting which forecasted capital carry forwards to be \$14.329 million. The year-end position was a carry forward position that was \$0.577 lower than forecast. **Attachment 3** provides a breakdown of these carry forwards, when they are anticipated to be complete and what was the main cause of the delay.

## VAGO financial sustainability ratios

Council uses financial sustainability ratios, as defined by VAGO to monitor trends and performance and assess longer term financial risk. Result of Council's performance against these ratios is outlined in the table below.

Indicator	2020/21	2019/20	2018/19	2017/18	2016/17
<b>Net result (%)</b> Net result/Total revenue	12.3% (Green)	14.1% (Green)	11.0% (Green)	26.4% (Green)	18.4% (Green)
<p>A positive result indicates a surplus, and the larger the percentage, the stronger the result.</p> <p>Council's five-year average, being 16.4% is greater than 0%, this indicates Council's ability to generate surpluses consistently.</p> <p>(Long-term risk indicator: Green)</p>					
<b>Adjusted underlying result</b> Adjusted underlying surplus/Adjusted underlying revenue	4.7% (Amber)	18.0% (Green)	17.4% (Green)	17.7% (Green)	17.8% (Green)
<p>Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business.</p> <p>Council's five-year average, being 15.1% is greater than 5%, this indicates that Council generates sufficient surpluses to fund operations.</p> <p>(Long-term risk indicator: Green)</p>					
<b>Liquidity (ratio)</b> Current assets/Current liabilities	2.41 (Green)	2.63 (Green)	2.13 (Green)	3.48 (Green)	2.67 (Green)
<p>A ratio of one or more means there are more cash and liquid assets than short-term liabilities. A ratio greater than 1 means an entity can sufficiently fund its short-term liabilities.</p> <p>Council's five-year average, being 2.7, suggests that there is no immediate issues with repaying short-term liabilities as they fall due.</p> <p>(Long-term risk indicator: Green)</p>					
<b>Internal financing (%)</b> Net operating cash flow/Net capital expenditure	104.3% (Green)	137.2% (Green)	74% (Red)	143% (Green)	270% (Green)
<p>This measures the ability of an entity to finance capital works from generated cash flows.</p>					

Indicator	2020/21	2019/20	2018/19	2017/18	2016/17
As Council's five-year average, being 145.7%, is greater than 100%, this confirms that Council is generating enough cash from operations to fund new assets. (Long-term risk indicator: Green)					
<b>Indebtedness (%)</b> Non-current liabilities/own-sourced revenue	14.1% (Green)	13.5% (Green)	15.7% (Green)	21.3% (Green)	24.7% (Green)
The higher the percentage, the less the entity is able to cover non-current liabilities from the revenues the entity generates. Council's five-year average, being 17.9%, is well below the benchmark of 40%. This suggests that there are no concerns over the ability to repay debt from own-source revenue: (Long-term risk indicator: Green)					
<b>Capital replacement (ratio)</b> Cash outflows for property, plant and equipment/Depreciation	1.42 (Amber)	1.99 (Green)	2.95 (Green)	2.13 (Green)	1.28 (Amber)
Comparison of rate of spending on infrastructure with its depreciation. A ratio higher than 1 indicates that spending is faster than the depreciation rate. Council's five-year average, being 2.0, is well above the benchmark of 1.5, thus confirming that there is a low risk of insufficient spending on asset renewal. (Long-term risk indicator: Green)					
<b>Renewal gap (ratio)</b> Renewal and upgrade expenditure/depreciation	0.96 (Amber)	0.79 (Amber)	1.31 (Green)	1.24 (Green)	0.80 (Amber)
Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. A ratio higher than 1 indicates that spending on existing assets is faster than the depreciation. Council's five-year average is 1.02, against a benchmark of 1.00. This may indicate insufficient spending on the renewal of existing assets if the focus is not maintained on this expenditure. (Long-term risk indicator: Green)					

### Unrestricted cash surplus

Council achieved an unrestricted cash surplus of \$4.176 million for the 2020/21 financial year. This surplus is primarily due to reduced employee costs and materials and services.

It is important to note that Council's restricted cash includes amounts required to complete carry-forward capital and operating projects, early payment of the 2021/22 Victoria Grants Commission allocation and other cash to be allocated to reserves.

It is recommended the unrestricted surplus of \$4.176 million be committed to the Local Government Funding Vehicle Reserve. Committing the unrestricted surplus to the Local Government Funding Vehicle will enable repayment of the loan (as detailed below). This would place Council in a better financial position by being able to apply for a new loan(s), which is likely to be required to support delivery of major projects into the future at a lower interest rate.

## Loan repayment

Council has a \$8.0 million interest only loan (Local Government Funding Vehicle) which is due to be repaid on 12 November 2021. The current arrangement is an interest only repayment semi-annum (May and November). This loan is at an interest rate of 4.65 per cent and has an interest cost of \$0.372 million per annum.

Council is proposing to fund the loan repayment by:

Local Government Funding Vehicle – reserve balance at 30 June 2021	\$1,405,000
2020/21 unrestricted surplus	\$4,176,000
Historical cash reserves	\$2,419,000
<b>Total</b>	<b>\$8,000,000</b>

## Audit and Risk Management Committee recommendation

The Audit and Risk Management Committee met on 13 September 2021 to consider the draft Statements and recommended that:

- Council approves ‘in principle’ the Annual Statements for the year ending 30 June 2021;
- Council officers make administrative changes to the notes;
- Subject to review of the final version of the Statements, Council authorises the:
  - Chief Executive Officer, Mayor and Deputy Mayor to certify the final version of the Statements;
  - Principal Accounting Officer (Chief Financial Officer) to implement any non-material changes to the statements as recommended by the Auditor-General and provide a summary of such changes to the Audit and Risk Management Committee at its next meeting. Any material changes will be discussed with the Chair of Audit and Risk Management Committee prior to being presented to Council; and
  - Chief Executive Officer to send the statements to the Auditor-General.

## Human Rights Consideration

The implications of this report have been assessed in accordance with the requirements of the Charter of Human Rights and Responsibilities.

## 4. Community consultation and engagement

Council’s Audit and Risk Management Committee examined the 2020/21 Statements at its meeting on 13 September 2021.

## 5. Officer Declaration of Conflict of Interest

Council officers involved in the preparation of this report have no conflict of interest in this matter.

## 6. Financial and Resources Implications

The preparation of the Statements and the associated auditing fees are included in the approved budget and therefore do not have any further financial or resource impacts.

The outcome of the Statements, in particular the Auditor-General’s assessment of Council’s long-term financial sustainability will provide useful guidance for Council’s long-term financial planning.

## 7. Implementation

Subject to Council's decision and receipt of the Auditor-General's official audit opinion, a copy of the audited reports will be submitted to the Minister for Local Government before 30 September 2021.

The Statements will form part of Council's Annual Report and will be published on Council's website.

The Annual Report will be submitted to the Minister by 30 September. We will then publish a public notice announcing the report's availability. It will also be formally received by Council at the October 2021 Council meeting.

### Attachment/s

<a href="#">1</a>	Draft Annual Financial Statements 2020/21	D21/390329
<a href="#">2</a>	Draft Performance Statement 2020/21	D21/389050
<a href="#">3</a>	Finalised carry forward position 2020/21	D21/369740

Moreland City Council  
ANNUAL FINANCIAL REPORT  
*For the Year Ended 30 June 2021*

**Moreland City Council  
Financial Report  
Table of Contents**

<b>FINANCIAL REPORT</b>	<b>Page</b>
Certification of the Financial Statements	1
<b>Financial Statements</b>	
Comprehensive Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Statement of Capital Works	8
<b>Overview</b>	<b>9</b>
<b>Notes to Financial Statements</b>	
Note 1 Performance against budget	11
1.1. Income and expenditure	11
1.2. Capital works	13
Note 2 Analysis of Council results by program	15
Note 3 Funding for the delivery of our services	17
3.1. Rates and charges	17
3.2. Statutory fees and fines	17
3.3. User fees	17
3.4. Funding from other levels of government	17
3.5. Contributions	18
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	18
3.7. Other income	19
Note 4 The cost of delivering services	19
4.1. Employee costs	19
4.2. Materials and services	19
4.3. Depreciation	19
4.4. Amortisation - Intangible assets	19
4.5. Amortisation - Right of use assets	20
4.6. Bad and doubtful debts	20
4.7. Borrowing costs	20
4.8. Finance Costs - Leases	20
4.9. Other expenses	20
Note 5 Our financial position	20
5.1. Financial assets	20
5.2. Non-financial assets	22
5.3. Payables	22
5.4. Interest-bearing liabilities	23
5.5. Provisions	23
5.6. Financing arrangements	25
5.7. Commitments	25
5.8. Leases	26
Note 6 Assets we manage	27
6.1. Property, infrastructure plant and equipment	27
6.2. Investments in associates, joint arrangements and subsidiaries	34
6.3. Investment property	34
Note 7 People and relationships	35
7.1. Council and key management remuneration	35
7.2. Related party disclosure	37
Note 8 Managing uncertainties	38
8.1. Contingent assets and liabilities	38
8.2. Change in accounting standards	39
8.3. Financial instruments	39
8.4. Fair value measurement	41
8.5. Events occurring after balance date	41
Note 9 Other matters	42
9.1. Reserves	42
9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	44
9.3. Superannuation	44
Note 10 Change in accounting policy	46

*Moreland City Council*  
*2020/2021 Financial Report*

---

### **Certification of the Financial Statements**

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

*Amanda Burgess - Certified Practising Accountant*  
**Principal Accounting Officer**

**Date :** <Date>

*Coburg, Victoria*

In our opinion the accompanying financial statements present fairly the financial transactions of Moreland City Council for the year ended 30 June 2021 and the financial position of the Council as at that date.

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

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

*Annalivia Carli Hannan*

**Mayor**

**Date :** <Date>

<Location>

*Mark Riley*

**Deputy Mayor**

**Date :** <Date>

<Location>

*Cathy Henderson*

**Chief Executive Officer**

**Date :** <Date>

<Location>

---

<INSERT VAGO REPORT - PAGE 1>

*<INSERT VAGO REPORT - PAGE 2>*

**Moreland City Council**  
**2020/2021 Financial Report**

**Comprehensive Income Statement**  
**For the Year Ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	163,998	159,319
Statutory fees and fines	3.2	10,669	12,906
User fees	3.3	6,026	6,474
Grants - operating	3.4	32,540	21,407
Grants - capital	3.4	5,678	1,443
Contributions - monetary	3.5	13,729	14,770
Contributions - non monetary	3.5	401	468
Fair value adjustments for investment property	6.3	1,225	(884)
Other income	3.7	4,109	4,505
<b>Total income</b>		<b>238,374</b>	<b>220,409</b>
<b>Expenses</b>			
Employee costs	4.1	104,255	89,608
Materials and services	4.2	63,925	59,186
Depreciation	4.3	27,280	25,678
Amortisation - right of use assets	4.4	236	236
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	5,054	5,303
Bad and doubtful debts	4.5	2,865	3,957
Borrowing costs	4.6	937	1,090
Other expenses	4.7	4,429	4,209
<b>Total expenses</b>		<b>208,982</b>	<b>189,267</b>
<b>Surplus/(deficit) for the year</b>		<b>29,392</b>	<b>31,142</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	6.1	667	214,404
<b>Total comprehensive result</b>		<b>30,059</b>	<b>245,547</b>

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

**Moreland City Council**  
**2020/2021 Financial Report**

**Balance Sheet**  
**As at 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	57,425	57,541
Trade and other receivables	5.1	32,425	24,906
Other financial assets	5.1	51,500	41,500
Inventories	5.2	397	295
Other assets	5.2	2,419	2,137
<b>Total current assets</b>		<b>144,166</b>	<b>126,379</b>
<b>Non-current assets</b>			
Unlisted Shares	6.2	2	2
Property, infrastructure, plant and equipment	6.1	2,273,912	2,250,811
Right-of-use assets	5.8	1,181	1,417
Investment property	6.3	27,225	26,000
<b>Total non-current assets</b>		<b>2,302,320</b>	<b>2,278,230</b>
<b>Total assets</b>		<b>2,446,486</b>	<b>2,404,610</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	14,857	17,576
Trust funds and deposits	5.3	6,466	5,812
Unearned Income	5.3	6,674	2,718
Interest-bearing liabilities	5.4	9,907	1,230
Provisions	5.5	21,806	20,779
<b>Total current liabilities</b>		<b>59,711</b>	<b>48,115</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5.4	24,483	24,971
Provisions	5.5	1,826	1,817
<b>Total non-current liabilities</b>		<b>26,308</b>	<b>26,789</b>
<b>Total liabilities</b>		<b>86,019</b>	<b>74,905</b>
<b>Net assets</b>		<b>2,360,466</b>	<b>2,329,706</b>
<b>Equity</b>			
Accumulated surplus		668,559	655,226
Asset revaluation reserve	9.1	1,612,840	1,612,159
Other reserves	9.1	79,067	62,321
<b>Total Equity</b>		<b>2,360,466</b>	<b>2,329,706</b>

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

**Moreland City Council**  
**2020/2021 Financial Report**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2021**

2021	Note	Accumulated		Revaluation	Other
		Total \$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of the financial year		2,329,707	655,226	1,612,160	62,321
Recognition of previously unrecognised non-current assets					
- Property		(30)	(30)	-	-
- Infrastructure Assets		532	518	14	-
- Plant and equipment		200	200	-	-
Adjusted Opening balance		<u>2,330,407</u>	<u>655,914</u>	<u>1,612,174</u>	<u>62,321</u>
Surplus/(deficit) for the year		29,392	29,392	-	-
Net asset revaluation increment/(decrement)	6.1	667	-	667	-
Transfers to other reserves	9.1	-	(40,170)	-	40,170
Transfers from other reserves	9.1	-	23,423	-	(23,423)
		<u>2,360,466</u>	<u>668,559</u>	<u>1,612,841</u>	<u>79,067</u>
<b>Balance at end of the financial year</b>		<b>2,360,466</b>	<b>668,559</b>	<b>1,612,840</b>	<b>79,067</b>

  

2020		Accumulated		Revaluation	Other
		Total \$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of the financial year		2,083,656	635,595	1,397,755	50,307
Recognition of previously unrecognised non-current assets					
- Infrastructure Assets		502	502	-	-
Adjusted Opening balance		<u>2,084,159</u>	<u>636,098</u>	<u>1,397,755</u>	<u>50,307</u>
Surplus/(deficit) for the year		31,142	31,142	-	-
Net asset revaluation increment/(decrement)	6.1	214,404	-	214,404	-
Transfers to other reserves	9.1	-	(34,905)	-	34,905
Transfers from other reserves	9.1	-	22,892	-	(22,892)
		<u>2,329,707</u>	<u>655,226</u>	<u>1,612,160</u>	<u>62,321</u>
<b>Balance at end of the financial year</b>		<b>2,329,707</b>	<b>655,226</b>	<b>1,612,160</b>	<b>62,321</b>

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

**Moreland City Council**  
**2020/2021 Financial Report**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2021**

	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
	Note	
<b>Cash flows from operating activities</b>		
Rates and charges	157,771	155,395
Statutory fees and fines	12,893	13,253
User fees	4,804	6,659
Grants - operating	32,370	22,527
Grants - capital	9,265	3,041
Contributions - monetary	13,729	14,770
Interest received	446	1,367
Trust funds and deposits taken	34,435	33,544
Other receipts	3,857	3,658
Net GST refund/payment	2,267	3,465
Employee costs	(103,219)	(87,880)
Materials and services	(73,430)	(69,341)
Trust funds and deposits repaid	(33,782)	(34,808)
Other payments	(4,872)	(4,630)
<b>Net cash provided by/(used in) operating activities</b>	<b>56,535</b>	<b>61,020</b>
<b>Cash flows from investing activities</b>		
Payments for property, infrastructure, plant and equipment	(54,194)	(51,166)
Proceeds from sale of property, infrastructure, plant and equipment	292	341
Proceeds from sale of investments	(10,000)	27,500
<b>Net cash provided by/(used in) investing activities</b>	<b>(63,902)</b>	<b>(23,325)</b>
<b>Cash flows from financing activities</b>		
Finance costs	(937)	(1,090)
Proceeds from borrowings	9,500	-
Repayment of borrowings	(1,312)	(9,121)
<b>Net cash provided by/(used in) financing activities</b>	<b>7,251</b>	<b>(10,211)</b>
Net increase (decrease) in cash and cash equivalents	(116)	27,484
Cash and cash equivalents at the beginning of the financial year	57,541	30,057
<b>Cash and cash equivalents at the end of the financial year</b>	<b>57,425</b>	<b>57,541</b>
Restrictions on cash assets	5.1	
Financing arrangements	5.6	

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

**Moreland City Council**  
**2020/2021 Financial Report**

**Statement of Capital Works**  
**For the Year Ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Property</b>			
Land	6.1	659	12,597
Buildings	6.1	14,247	6,122
<b>Total property</b>		<b>14,906</b>	<b>18,719</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,853	2,509
Fixtures, fittings and furniture		151	447
Computers and telecommunications		438	268
Library books		1,000	992
<b>Total plant and equipment</b>		<b>3,441</b>	<b>4,215</b>
<b>Infrastructure</b>			
Roads		6,771	8,923
Bridges		2,473	46
Footpaths		5,388	4,471
Drainage		3,477	3,831
Other infrastructure		2,356	4,280
<b>Total infrastructure</b>	6.1	<b>20,465</b>	<b>21,551</b>
<b>Total capital works expenditure</b>		<b>38,811</b>	<b>44,486</b>
<b>Represented by:</b>			
New asset expenditure		12,738	22,958
Asset renewal expenditure		23,533	16,841
Asset expansion expenditure		-	3,549
Asset upgrade expenditure		2,540	1,138
<b>Total capital works expenditure</b>	6.1	<b>38,811</b>	<b>44,486</b>

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

**Moreland City Council  
2020/2021 Financial Report**

---

**Notes to the Financial Report  
For the Year Ended 30 June 2021**

**OVERVIEW**

**Introduction**

The Moreland City Council was established by an Order of the Governor in Council on 21 June 1994 and is a body corporate. The Council's main office is located at 90 Bell Street, Coburg.

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

**Significant accounting policies**

**(a) Basis of accounting**

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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.

**Moreland City Council**  
**2020/2021 Financial Report**

---

**(b) Impact of Covid-19**

In January 2020, the World Health Organisation declared the outbreak of the COVID-19 a public health emergency of international concern and subsequently in March 2020 it was declared a global pandemic. On 16 March 2020, a State of Emergency was declared in Victoria in relation to the COVID-19 pandemic and a national restriction was put in place on gatherings, a nationwide call to work from home and significantly lower levels of activity in the economy and community. A number of Council services required immediate change, including the closure of recreation centres and libraries, cancellation of events and revised health precautions.

A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, there were a number of financial impacts to Moreland Council in the year to 30 June 2021 due to the COVID-19 pandemic. Some of these impacts were allowed for in the budget, including:

- Deferral of rates revenue/interest free period of \$1.0 million
- Waiver of six months of health registration fees for food businesses of \$0.5 million
- Parking income loss of \$0.1 million
- Infringements loss of \$1.5 million.

The pandemic continued and restrictions were extended beyond September, which meant further financial impacts to Moreland Council, including:

- Increased costs of \$1.8 million for the closure of leisure centres
- Waiver of the remaining six months of health registration fees for food businesses of \$0.5 million
- Waiver of sporting fees \$0.1 million decrease in revenue
- Further parking income loss of \$0.1 million
- Further infringement loss of \$1.5 million
- Venue hire income \$0.2 million loss.

At the time of preparing the statements, Victoria had entered lockdown 5 and we are currently in lockdown 6. Council is continuing to monitor any financial impacts associated with lost revenue or increased costs and will address these in future forecasts.

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**Note 1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$3 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 8 July 2020. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**1.1 Income and expenditure**

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
<b>Income</b>					
Rates and charges	161,979	163,998	2,019	1%	
Statutory fees and fines	11,939	10,669	(1,270)	-11%	1
User fees	4,780	6,026	1,246	26%	2
Grants - operating	31,299	32,540	1,241	4%	
Grants - capital	4,031	5,678	1,647	41%	3
Contributions - monetary	11,581	13,729	2,148	19%	4
Contributions - non monetary	-	401	401	100%	5
Fair value adjustments for investment property	-	1,225	1,225	100%	6
Other income	5,641	4,109	(1,532)	-27%	7
<b>Total income</b>	<b>231,250</b>	<b>238,374</b>	<b>7,124</b>	<b>3%</b>	
<b>Expenses</b>					
Employee costs	109,270	104,255	5,015	5%	8
Materials and services	67,735	63,925	3,810	6%	9
Depreciation	25,614	27,280	(1,666)	-7%	10
Amortisation - Right of use assets	-	236	(236)	-100%	11
Net loss on disposal of property, infrastructure, plant and equipment	-	5,054	(5,054)	-100%	12
Bad and doubtful debts	2,051	2,865	(814)	-40%	13
Borrowing costs	1,075	937	138	13%	14
Other expenses	601	4,429	(3,828)	-637%	15
<b>Total expenses</b>	<b>206,346</b>	<b>208,982</b>	<b>(2,636)</b>	<b>-1%</b>	
<b>Surplus/(deficit) for the year</b>	<b>24,904</b>	<b>29,392</b>	<b>4,488</b>	<b>18%</b>	

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**(i) Explanation of material variations**

<b>Ref.</b>	<b>Item</b>	<b>Explanation</b>
1	Statutory fees & Fines	Statutory fees and fines were lower than anticipated due to the ongoing impacts of several lockdowns throughout the year.
2	User Fees	User fees were higher than anticipated, primarily due to increased activity in transport related permits, additional animal registrations, as well as being awarded the tender to provide meals on wheels delivery service to a neighbouring Council.
3	Grants - Capital	Grants - Capital was higher than anticipated primarily due to receipt of a grant for the State funded Get Active Moreland Park Enhancement Program.
4	Contributions - monetary	Sub-divider contributions were higher than anticipated due to increased development activity.
5	Contributions - non monetary	This variance is due to the recognition of unbudgeted developer contributed drainage assets.
6	Fair value adjustments for investment property	Market valuations undertaken for Council's investment properties by qualified valuers, resulted in this overall increase.
7	Other income	Other Income was lower than anticipated due to lower interest rates on investments than anticipated. This was partially impacted by lower cash levels as a result of the COVID-19 emergency response. Following a Special Council Meeting on 25 March 2020, Council adopted hardship and community relief measures to support the community in this uncertain time, including a COVID-19 Financial Hardship Policy, temporary 7-day payment terms for suppliers and waiving of food registration renewal fees for 2020, which had an impact on Council's available cash for investments.  Other Income was also impacted by other waivers as a result of pandemic. Council waived all summer sports ground and pavilion fees for the 2021 season. The ongoing restrictions on venue capacities also resulted in reduced revenue for Council's hall hire.
8	Employee costs	Employee costs were lower than anticipated due to several vacancies throughout the 2020/21 year. The underspend is partially offset by the Working For Victoria budget which were incorrectly classified as materials and services, however the actual costs related to employee costs.
9	Materials and services	Materials and Services were lower than anticipated primarily due to a significant underspend in utility costs. The utility costs were directly impacted by the ongoing lockdowns, with reduced usage in Council facilities and leisure centres resulting in an underspend. The underspend is also attributed to the Working For Victoria budget which were incorrectly classified as materials and services, however the actual costs related to employee costs.
10	Depreciation	Depreciation was higher than anticipated due to revaluations for buildings, road surfacing and drains during the 2019-20 financial year.
11	Amortisation - Right of use assets	Amortisation - Right of use assets, was included in depreciation figure of 2020-21 budget.
12	Net loss on disposal of property, infrastructure, plant and equipment	The disposal of infrastructure and other assets during the year is unbudgeted. This mainly occurs during the replacement of roads and other infrastructure assets.
13	Bad and doubtful debts	At balance date debtors were assessed for recoverability and as a result the increase in the provision for Parking debtors was higher than budgeted.
14	Borrowing costs	Borrowing costs were lower than anticipated as a result of lower than anticipated interest rates on variable borrowings.
15	Other expenses	Actual costs relating to training, courses and seminars have been reclassified from Employee Costs to Other Expenses to better reflect the statutory nature of the Employee Costs expenditure.

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**1.2 Capital works**

	Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000	Variance %	Ref
<b>Property</b>					
Land	-	659	659	0%	1
Buildings	28,539	14,247	(14,292)	-50%	2
<b>Total property</b>	<b>28,539</b>	<b>14,906</b>	<b>(13,633)</b>	<b>-48%</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	7,420	1,853	(5,567)	-75%	3
Fixtures, fittings and furniture	412	151	(261)	-63%	4
Computers and telecommunications	909	438	(471)	-52%	5
Library books	1,000	1,000	(0)	0%	
<b>Total plant and equipment</b>	<b>9,741</b>	<b>3,441</b>	<b>(6,300)</b>	<b>-65%</b>	
<b>Infrastructure</b>					
Roads	7,649	6,771	(878)	-11%	6
Bridges	560	2,473	1,913	342%	7
Footpaths and cycleways	4,884	5,388	504	10%	
Drainage	950	3,479	2,529	266%	8
Parks, open space and streetscapes	8,148	1,540	(6,608)	-81%	9
Transport management/Off street car parks	1,320	224	(1,096)	-83%	10
Other infrastructure	635	591	(44)	-7%	
<b>Total infrastructure</b>	<b>24,146</b>	<b>20,465</b>	<b>(3,681)</b>	<b>-15%</b>	
<b>Total capital works expenditure</b>	<b>62,426</b>	<b>38,811</b>	<b>(23,615)</b>	<b>-38%</b>	
<b>Represented by:</b>					
New asset expenditure	22,555	12,738	(9,817)	-44%	11
Asset renewal expenditure	33,120	23,533	(9,587)	-29%	12
Asset upgrade expenditure	7,001	2,540	(4,461)	-64%	13
<b>Total capital works expenditure</b>	<b>62,676</b>	<b>38,811</b>	<b>(23,865)</b>	<b>-38%</b>	

**Moreland City Council**  
**2020/2021 Financial Report**

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	As part of the 'Park close to home program: A Framework to Fill Open Space' initiative, Council has undertaken land improvements works on a Bulleke-bek Park in Brunswick. Whilst unbudgeted, this has been funded by reserves specifically established for this purpose.
2	Buildings	Several large projects are in the final stages of completion and remain as Works in Progress. These include the Glenroy Community Hub and Aquatic Leisure projects due for completion next financial year.
3	Plant, machinery and equipment	Due to COVID-19, the delivery of the new waste trucks has been delayed until late August 2021.
4	Fixtures, fittings and furniture	A lesser number of fixtures, fittings, and furniture purchases were completed during the financial year than budgeted.
5	Computers and telecommunications	Due to COVID-19, a large delivery of IT infrastructure has been delayed and is expected to be received in mid September 2021.
6	Roads	A significant portion of expenditure budgeted for Council's road reconstruction and rehabilitation projects were re-classified as drainage assets upon capitalisation, as well as some projects not completed by the end of the financial year.
7	Bridges	The expenditure is higher than budgeted due to the completion of bridge construction works at Edgars Creek and the Footbridge at Kingfisher Gardens that were delayed in the last financial year.
8	Drainage	A significant portion of expenditure budgeted for councils roads construction and rehabilitation projects were reclassified as drainage assets upon capitalisation.
9	Parks, open space and streetscapes	The variance to budget is largely related to several large works still in progress such as Parks Close to Home projects.
10	Transport management/Off street car parks	The variance to budget is largely related to an underspend in the Moreland Integrated Transport Strategy (MITS) - road closure projects not proceeding.
11	New Asset Infrastructure	Several large projects are in the final stages of completion, the most significant being the Glenroy Community Hub that is due for completion next financial year.
12	Asset Renewal Expenditure	The variance relates to refurbishment works on aquatic leisure projects as well as some recreational buildings works and parks and open space projects due for completion next year.
13	Asset Upgrade Expenditure	Associated to delays in some transport, building and IT infrastructure projects as well as projects mentioned previously that are a combination of renewal and upgrade.

**Moreland City Council**  
**2020/2021 Financial Report**

---

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**Note 2 Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

**2 (a) Chief Executive Officer Management**

Chief Executive Officer Management oversees the management executive group, manages overall operations and sets the tone, vision and culture of Council.

**City Infrastructure Department**

City Infrastructure is responsible for Council's infrastructure and fleet assets. This includes planning, designing, building, expanding, renewing, cleansing and maintaining a diverse range of assets that underpin the day to day operation and wellbeing of the community. The department is also responsible for local laws and waste collection.

**Business Transformations**

Business Transformation is responsible for corporate functions relating to people, culture and business enhancement. This includes finance and procurement, human resources, corporate governance, organisational performance and information technology.

**City Futures**

City Futures is responsible for influencing development in the city, including urban planning decision-making and urban policy and strategy development, research, transport, sustainable built environment, waste strategy and education, urban design and streetscape improvement, environmental health and building services. The Department supports all Council external facing strategies that respond to population growth and climate change within the city.

**Community Development Department**

Community Development provides high quality community focused programs, service delivery and communication to residents. It is responsible for services relating to infants, children, youth, family and aged. Leading the achievement of our wellbeing outcomes including recreation, health, education, cultural vibrancy, safety social cohesion and emergency management.

**Engagement and Partnerships**

Engagement & Partnerships is largely responsible for Council's external customer interface with the community, economy, government and other partners. The Directorate enhances the organisation's capacity for engagement and participation, advances city-shaping major partnership projects, supports economic development investment and attraction and the delivers holistic place-based outcomes.

**Notes to the Financial Report  
For the Year Ended 30 June 2021**

**2 (b) Summary of revenues, expenses, assets and capital expenses by program**

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
Chief Executive Officer Management	37,739	20,123	17,616	0	233
City Infrastructure	39,188	64,442	(25,253)	5,734	2,047,996
Business Transformations	125,438	52,396	73,042	17,503	176,440
Engagement and Partnerships	3,072	11,023	(7,951)	832	4,854
City Futures	16,163	20,013	(3,850)	413	388
Community Development	16,773	40,984	(24,211)	13,737	216,577
	<b>238,374</b>	<b>208,982</b>	<b>29,392</b>	<b>38,218</b>	<b>2,446,486</b>

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Chief Executive Officer Management	-	626	(626)	-	9
Finance and Property	156,102	45,168	110,934	5,124	154,188
City Infrastructure	30,759	58,816	(28,057)	1,587	2,035,552
Business Transformations	211	19,393	(19,182)	3,236	704
Engagement and Partnerships	861	8,406	(7,545)	-	5,144
City Futures	17,599	19,342	(1,743)	119	423
Community Development	15,762	38,401	(22,639)	12,784	208,590
	<b>221,293</b>	<b>190,151</b>	<b>31,142</b>	<b>22,850</b>	<b>2,404,610</b>

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**Note 3 Funding for the delivery of our services**

**3.1 Rates and charges**

	2021	2020
	\$'000	\$'000
General rates	143,548	139,343
Waste management charge	17,134	16,528
Special rates and charges	549	613
Supplementary rates and rate adjustments	1,941	2,054
Interest on rates and charges	826	781
<b>Total rates and charges</b>	<b>163,998</b>	<b>159,319</b>

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total market value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2020-21 was \$61.3 billion (2019-20 was \$56.9 billion). The 2020-21 rate in the CIV dollar was 0.0024283, 2019-20 was 0.0024833.

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation was first applied in the rating year commencing 1 July 2020.

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

**3.2 Statutory fees and fines**

	2021	2020
	\$'000	\$'000
Infringements and costs	5,360	7,586
Court recoveries	461	666
Town planning fees	2,012	1,789
Land information certificates	382	354
Other fines	487	272
Permits	1,966	2,239
<b>Total statutory fees and fines</b>	<b>10,669</b>	<b>12,906</b>

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

**3.3 User fees**

	2021	2020
	\$'000	\$'000
Aged and health services	1,972	1,580
Leisure centre and recreation	12	577
Parking	130	254
Registration and other permits	1,145	1,723
Building services	306	292
Road occupancy/ Right of way closures	300	62
Valuation fees	76	85
Waste management services	206	206
Other fees and charges	1,879	1,695
<b>Total user fees</b>	<b>6,026</b>	<b>6,474</b>

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms. Council has performed a review to ensure that income which may be affected by changes in accounting standards AASB 15 and 1058 have been taken into account.

**3.4 Grants**

Grants were received in respect of the following:

**Summary of grants**

	2021	2020
	\$'000	\$'000
Commonwealth funded grants	13,524	13,377
State funded grants	24,694	9,472
<b>Total grants received</b>	<b>38,218</b>	<b>22,850</b>

**(a) Operating Grants**

**Recurrent - Commonwealth Government**

Financial Assistance Grants	4,559	5,123
Family day care	786	751
Aged care	6,867	6,904

**Recurrent - State Government**

Home help	1,192	1,018
Families and Children	3,330	2,655
Food Services	40	34
Libraries	1,497	1,295
Other	108	73
<b>Total recurrent operating grants</b>	<b>18,379</b>	<b>17,854</b>

**Moreland City Council**  
**2020/2021 Financial Report**

	2021	2020
	\$'000	\$'000
<b>Non-recurrent - State Government</b>		
Environmental protection	-	40
Family and children	52	6
Community welfare	60	-
Working for Victoria	12,944	3,236
Other	1,105	271
<b>Total non-recurrent operating grants</b>	<b>14,161</b>	<b>3,553</b>
<b>Total operating grants</b>	<b>32,540</b>	<b>21,407</b>
<b>(b) Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	619	599
<b>Total recurrent capital grants</b>	<b>619</b>	<b>599</b>
<b>Non-recurrent - Commonwealth Government</b>		
Local Roads Community Infrastructure	526	-
Other	168	-
<b>Non-recurrent - State Government</b>		
Buildings	882	-
Community Safety	364	93
Recreation	2,302	666
Other	817	86
<b>Total non-recurrent capital grants</b>	<b>5,059</b>	<b>844</b>
<b>Total capital grants</b>	<b>5,678</b>	<b>1,443</b>

**(c) Unspent grants received on condition that they be spent in a specific manner**

	2021	2020
<b>Operating</b>		
Balance at start of year	3,071	312
Received during the financial year and remained unspent at balance date	985	3,055
Received in prior years and spent during the financial year	(3,071)	(296)
Balance at year end	<b>985</b>	<b>3,071</b>
<b>Capital</b>		
Balance at start of year	2,071	2,390
Received during the financial year and remained unspent at balance date	154	1,221
Received in prior years and spent during the financial year	(2,071)	(1,540)
Balance at year end	<b>154</b>	<b>2,071</b>

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

Unspent grant income that does not satisfy the unearned income accounting standard for operating grants \$985,361 (2020: \$3,071,165) & capital grants \$154,172 (2020: \$2,071,000) are recorded in the carry forward reserve.

<b>3.5 Contributions</b>	2021	2020
	\$'000	\$'000
Monetary	13,729	14,639
Non-monetary	401	468
<b>Total contributions</b>	<b>14,129</b>	<b>15,239</b>

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

Other infrastructure	401	468
<b>Total non-monetary contributions</b>	<b>401</b>	<b>468</b>

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

<b>3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	2021	2020
	\$'000	\$'000
Proceeds of sale	292	342
Written down value of assets disposed	(5,346)	(5,645)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(5,054)</b>	<b>(5,303)</b>

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer. A significant portion of asset sales are infrastructure assets where Council receives no proceeds upon disposal.

**Moreland City Council**  
**2020/2021 Financial Report**

<b>3.7 Other income</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	446	1,367
Investment property rental	462	291
Other rent	1,653	1,722
Recoveries	979	688
Other	569	436
<b>Total other income</b>	<b>4,109</b>	<b>4,505</b>

Interest is recognised as it is earned.

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

**Note 4 The cost of delivering services**

<b>4.1 (a) Employee costs</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	91,918	78,283
Casual staff	317	377
WorkCover	2,020	2,408
Superannuation	8,442	7,058
Fringe benefits tax	38	204
Redundancy costs	134	375
Other	1,386	902
<b>Total employee costs</b>	<b>104,255</b>	<b>89,608</b>

**(b) Superannuation**

Council made contributions to the following funds:

<b>Defined benefit fund</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	468	668
	<b>468</b>	<b>668</b>
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,549	3,479
Employer contributions - other funds	4,425	2,912
	<b>7,974</b>	<b>6,391</b>
Employer contributions payable at reporting date.	791	498

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

<b>4.2 Materials and services</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cleaning contract	997	1,540
General maintenance	16,380	13,037
Utilities	3,136	4,322
Waste fees	13,330	12,647
Leisure management fees	3,467	1,354
Property leases and rentals	948	175
Minor equipment and supplies	1,109	1,055
Office administration	2,087	2,347
Information technology and telecommunications	4,060	3,948
Insurance	2,553	1,538
Consultants and Contractors	12,048	12,845
Other materials and supplies	3,789	4,380
<b>Total materials and services</b>	<b>63,925</b>	<b>59,186</b>

<b>4.3 Depreciation</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Property	5,695	5,417
Plant and equipment	3,228	3,292
Infrastructure	18,357	16,969
<b>Total depreciation</b>	<b>27,280</b>	<b>25,678</b>

Refer to note 5.2 (c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

<b>4.4 Amortisation - Right of use assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Rights of use of Animal Shelter	236	236
<b>Total Amortisation - Right of use assets</b>	<b>236</b>	<b>236</b>

**Moreland City Council**  
**2020/2021 Financial Report**

<b>4.5 Bad and doubtful debts</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Parking fine debtors	2,496	3,490
Other debtors	369	467
<b>Total bad and doubtful debts</b>	<b>2,865</b>	<b>3,957</b>

**Movement in provisions for doubtful debts**

Balance at the beginning of the year	3,740	3,276
New provisions recognised during the year	330	463
Amounts already provided for and written off as uncollectible	8	5
Amounts provided for but recovered during the year	(8)	(4)
Balance at end of year	<b>4,070</b>	<b>3,740</b>

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

<b>4.6 Borrowing costs</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest - Borrowings	937	1,090
<b>Total borrowing costs</b>	<b>937</b>	<b>1,090</b>

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

<b>4.7 Other expenses</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	80	71
Auditors' remuneration - Internal	133	232
Councillors' allowances	11	8
Training, conferences and seminars	669	656
Council grants and contributions	2,480	2,194
Special charge scheme payments	546	540
Others	510	508
<b>Total other expenses</b>	<b>4,429</b>	<b>4,209</b>

**Note 5 Our financial position**

<b>5.1 Financial assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Cash and cash equivalents</b>		
Cash on hand	6	6
Cash at bank	14,419	14,035
Term deposits	43,000	43,500
<b>Total cash and cash equivalents</b>	<b>57,425</b>	<b>57,541</b>
<b>(b) Other financial assets</b>		
Term deposits - current >90 days	51,500	41,500
<b>Total other financial assets</b>	<b>51,500</b>	<b>41,500</b>
<b>Total financial assets</b>	<b>108,925</b>	<b>99,041</b>

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

These include:

- Unearned Income (Note 5.3)	6,674	2,718
- Trust funds and deposits (Note 5.3)	6,466	5,812
Total restricted funds	<b>13,140</b>	<b>8,530</b>
Total unrestricted cash and cash equivalents	<b>44,285</b>	<b>49,011</b>

**Intended allocations**

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

- restricted reserves (Note 9.1)	29,183	21,096
Total funds subject to intended allocations	<b>29,183</b>	<b>21,096</b>

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

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

<b>(c) Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Rates debtors	20,815	15,167
Parking Infringement debtors	15,812	13,856
Provision for doubtful debts - parking infringements	(13,145)	(10,649)
Non statutory receivables		
Other debtors	8,561	6,477
Provision for doubtful debts - other debtors	(4,070)	(3,740)
Fire Services Property Levy debtors	2,072	1,493
Net GST receivable	2,381	2,302
<b>Total trade and other receivables</b>	<b>32,425</b>	<b>24,906</b>

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

**(d) Ageing of Receivables**

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	2,659	1,621
Past due by up to 30 days	761	464
Past due between 31 and 180 days	196	120
Past due between 181 and 365 days	17	10
Past due by more than 1 year	858	522
<b>Total trade and other receivables</b>	<b>4,491</b>	<b>2,737</b>

**(e) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$4,069,597 (2020: \$3,739,580) were impaired. The amount of the provision raised against these debtors was \$4,069,597 (2020: \$3,739,580). 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 collection agency.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	28	26
Past due by up to 30 days	100	91
Past due between 31 and 180 days	751	690
Past due between 181 and 365 days	878	807
Past due by more than 1 year	2,313	2,126
<b>Total trade &amp; other receivables</b>	<b>4,070</b>	<b>3,740</b>

**Rates Debtors**

Council's COVID-19 Financial Hardship Policy ceased on June 30 2021. The Policy allowed for the deferral of rates instalments and a hold on interest accumulated. 929 ratepayers applied for COVID-19 extensions, 1264 applied for deferrals and 118 took up payment arrangements.

Council proactively contacted all ratepayers with outstandings rates who had not entered into any of the options outlined in the COVID-19 Financial Hardship Policy. As Council's primary source of operating revenue, the effects on cashflow will also be closely monitored as instalments become due.

**Moreland City Council**  
**2020/2021 Financial Report**

5.2	<b>Non-financial assets</b>	<b>2021</b>	<b>2020</b>
	<b>(a) Inventories</b>	<b>\$'000</b>	<b>\$'000</b>
	Inventories held for distribution	397	295
	<b>Total Inventories</b>	<b>397</b>	<b>295</b>

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.

**(b) Other assets**

<b>Current</b>			
	Prepayments	1,806	1,696
	Accrued income	192	170
	Other	421	271
	<b>Total other assets</b>	<b>2,419</b>	<b>2,137</b>

5.3	<b>Payables</b>	<b>2021</b>	<b>2020</b>
	<b>(a) Trade and other payables</b>	<b>\$'000</b>	<b>\$'000</b>
	Trade payables	5,798	8,107
	Accrued expenses	9,059	9,469
	<b>Total trade and other payables</b>	<b>14,857</b>	<b>17,576</b>

**(b) Trust funds and deposits**

	Refundable deposits	1,034	980
	Trust funds	679	676
	Retention amounts	635	631
	Fire Services Levy	3,635	3,067
	Other refundable deposits	482	457
	<b>Total trust funds and deposits</b>	<b>6,466</b>	<b>5,812</b>

**(c) Unearned income**

	Grants received in advance - operating	950	1,120
	Grants received in advance - capital	5,185	1,598
	Other	539	-
	<b>Total unearned income</b>	<b>6,674</b>	<b>2,718</b>

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

**Purpose and nature of items**

Refundable deposits – deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, contract deposits and the use of civic facilities.

Council currently maintains separate and distinct Trust Funds for the Gavin Environment Trust, the Blackburn Bequest Trust and the Inner Circle Linear Trust. These funds are held and administered in accordance with the Trust Deed arrangements.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Unearned income - Council has recognised the amounts which are yet to be 'earned' through fulfillment of various contracts and operating funding agreements. This reflects the impact of AASB 15 and AASB1058 changes.

**Moreland City Council**  
**2020/2021 Financial Report**

5.4	Interest-bearing liabilities	2021	2020
		\$'000	\$'000
	<b>Current</b>		
	Borrowings - secured	9,907	1,230
		<b>9,907</b>	<b>1,230</b>
	<b>Non-current</b>		
	Borrowings - secured	24,483	24,971
		<b>24,483</b>	<b>24,971</b>
	<b>Total</b>	<b>34,389</b>	<b>26,201</b>

Borrowings are secured by Council's general rate income.

(a) The maturity profile for Council's borrowings is:

Not later than one year	9,907	1,230
Later than one year and not later than five years	17,633	10,281
Later than five years	6,849	14,690
	<b>34,389</b>	<b>26,201</b>

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

5.5	Provisions	Employee
		Provisions
	<b>2021</b>	<b>\$'000</b>
	Balance at beginning of the financial year	22,597
	Additional provisions	8,375
	Amounts used	(8,417)
	Change in the discounted amount arising because of time and the effect of any change in the discount rate	1,078
	Balance at the end of the financial year	<b>23,632</b>
	<b>2020</b>	
	Balance at beginning of the financial year	20,870
	Additional provisions	8,703
	Amounts used	(7,089)
	Change in the discounted amount arising because of time and the effect of any change in the discount rate	113
	Balance at the end of the financial year	<b>22,597</b>

**Moreland City Council**  
**2020/2021 Financial Report**

	2021	2020
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12</b>	<b>\$'000</b>	<b>\$'000</b>
Annual leave	6,889	6,285
Long service leave	2,136	2,011
	<b>9,025</b>	<b>8,295</b>
<b>Current provisions expected to be wholly settled after 12</b>		
Annual leave	2,356	1,407
Long service leave	10,385	11,035
Other	40	43
	<b>12,781</b>	<b>12,484</b>
Total current employee provisions	<b>21,806</b>	<b>20,779</b>
<b>Non-current</b>		
Long service leave	1,826	1,817
Total non-current employee provisions	<b>1,826</b>	<b>1,817</b>
Aggregate carrying amount of employee provisions:		
Current	21,806	20,779
Non-current	1,826	1,817
Total aggregate carrying amount of employee provisions	<b>23,632</b>	<b>22,597</b>

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

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

**Long service leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:

- discount rate	1.5%	0.9%
- index rate	3.0%	4.3%

**Moreland City Council**  
**2020/2021 Financial Report**

**5.6 Financing arrangements**

The Council has the following funding arrangements in place as at 30 June 2021.

	2021 \$'000	2020 \$'000
Bank overdraft	4,000	4,000
Credit card facilities	389	750
<b>Total facilities</b>	<b>4,389</b>	<b>4,750</b>
Used facilities	72	113
Unused facilities	<b>4,317</b>	<b>4,637</b>

**5.7 Commitments**

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

2021	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not	years and not		
	\$'000	later than 2	later than 5	\$'000	\$'000
		years	years		
		\$'000	\$'000		\$'000
<b>Operating</b>					
Garbage collection	447	447	-	-	894
Leisure Centres	866	-	-	-	866
IT Systems Supports	2,213	1,981	-	-	4,194
Consultancies	8	8	-	-	16
Animal Welfare	39	39	-	-	78
Parking	528	528	-	-	1,056
Building Management	60	60	-	-	120
<b>Total</b>	<b>4,161</b>	<b>3,063</b>	-	-	<b>7,224</b>
<b>Capital</b>					
Consultancies	2,527	-	-	-	2,527
Works	8,686	-	-	-	8,686
Fleet	5,358	-	-	-	5,358
<b>Total</b>	<b>16,571</b>	-	-	-	<b>16,571</b>

2020	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not	years and not		
	\$'000	later than 2	later than 5	\$'000	\$'000
		years	years		
		\$'000	\$'000		\$'000
<b>Operating</b>					
Garbage collection	-	-	-	-	-
Leisure Centres	-	-	-	-	-
IT Systems Supports	547	432	-	-	979
Records	85	-	-	-	85
Consultancies	-	-	-	-	-
HR	8	-	-	-	8
Environmental Operations	-	-	-	-	-
Animal Welfare	39	39	-	-	78
Building Management	60	-	-	-	60
<b>Total</b>	<b>739</b>	<b>471</b>	-	-	<b>1,210</b>
<b>Capital</b>					
Consultancies	460	-	-	-	460
Fleet	5,358	-	-	-	5,358
Works	27,035	8,201	-	-	35,236
<b>Total</b>	<b>32,853</b>	<b>8,201</b>	-	-	<b>41,054</b>

**Moreland City Council**  
**2020/2021 Financial Report**

**5.8 Leases**

At inception of a contract, Council would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

In 2016 Moreland City Council entered into a 10 year Animal Welfare Facility agreement with Darebin and Whittlesea City Councils for the use of facilities located in Epping, Victoria. Moreland City Council contributed to the construction and ongoing costs with respect to the Facility by way of an upfront payment in 2016.

<b>Right-of-Use Assets</b>	<b>Animal Shelter \$'000</b>
<b>2021</b>	
Balance at 1 July 2020	1,417
Additions	-
Amortisation charge	(236)
Balance at 30 June 2021	<u>1,181</u>
<b>2020</b>	
Balance at 1 July 2019	1,653
Additions	-
Amortisation charge	(236)
Balance at 30 June 2020	<u>1,417</u>

**Short-term and low value leases**

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<b>Expenses relating to:</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Short-term leases	43	87
<b>Total</b>	<u>43</u>	<u>87</u>

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**6.1 Property, infrastructure, plant and equipment**

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

	At Fair Value 30	Additions	Contributions	Found Assets	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30
	June 2020								June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,320,505	659	-	-	199	-	-	-	1,321,363
Buildings	225,528	14,247	-	(30)	-	(5,695)	(1,586)	162	232,625
Plant and equipment	14,461	3,453	-	518	468	(3,228)	(19)	(162)	15,492
Infrastructure	675,598	20,465	401	200	-	(18,356)	(3,742)	-	674,564
Work in progress	14,719	15,150	-	-	-	-	-	-	29,869
	<b>2,250,811</b>	<b>53,974</b>	<b>401</b>	<b>688</b>	<b>667</b>	<b>(27,280)</b>	<b>(5,346)</b>	<b>(0)</b>	<b>2,273,912</b>

	Opening WIP				
	\$'000	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	4,698	33,788	(893)	(13,738)	23,855
Plant and equipment	63	3,906	(197)	(3,457)	315
Infrastructure	9,958	20,845	(3,488)	(21,616)	5,698
Total	<b>14,719</b>	<b>58,539</b>	<b>(4,578)</b>	<b>(38,811)</b>	<b>29,869</b>

**Moreland City Council**  
**2020/2021 Financial Report**

**(a) Property**

	Land - specialised	Land - non specialised	Land under Roads	Total Land	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	1,025,341	291,467	3,697	1,320,505	354,397	354,397	4,698	1,679,600
Accumulated depreciation at 1 July 2020	-	-	-	-	(128,869)	(128,869)	-	(128,869)
	<b>1,025,341</b>	<b>291,467</b>	<b>3,697</b>	<b>1,320,505</b>	<b>225,528</b>	<b>225,528</b>	<b>4,698</b>	<b>1,550,730</b>
<b>Movements in fair value</b>								
Additions	659	-	-	659	14,247	14,247	33,788	48,694
Contributions	-	-	-	-	-	-	-	-
Revaluation	-	-	199	199	-	-	-	199
Disposal	-	-	-	-	(3,295)	(3,295)	-	(3,295)
Write-off	-	-	-	-	-	-	(893)	(893)
Transfers	-	-	-	-	181	181	(13,738)	(13,557)
Impairment losses recognised in operating r	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	(30)	(30)	-	(30)
	<b>659</b>	<b>-</b>	<b>199</b>	<b>858</b>	<b>11,102</b>	<b>11,102</b>	<b>19,157</b>	<b>31,117</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	-	-	-	-	(5,695)	(5,695)	-	(5,695)
Accumulated depreciation Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	1,709	1,709	-	1,709
Impairment losses recognised in operating r	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(19)	(19)	-	(19)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,005)</b>	<b>(4,005)</b>	<b>-</b>	<b>(4,005)</b>
At fair value 30 June 2021	1,026,000	291,467	3,896	1,321,363	365,499	365,499	23,856	1,710,717
Accumulated depreciation at 30 June 2021	-	-	-	-	(132,874)	(132,874)	-	(132,874)
	<b>1,026,000</b>	<b>291,467</b>	<b>3,896</b>	<b>1,321,363</b>	<b>232,625</b>	<b>232,625</b>	<b>23,856</b>	<b>1,577,843</b>

**Moreland City Council**  
**2020/2021 Financial Report**

**(b) Plant and Equipment**

	Motor vehicles	Plant and equipment	Furniture and fittings	Computer equipment	Library books	Artwork	Total Plant and equipment	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	18,085	3,542	2,964	3,749	10,248	855	39,442	63	39,505
Accumulated depreciation at 1 July 2020	(12,477)	(1,847)	(2,013)	(3,316)	(5,328)	-	(24,981)	-	(24,981)
	<b>5,608</b>	<b>1,695</b>	<b>952</b>	<b>432</b>	<b>4,920</b>	<b>855</b>	<b>14,461</b>	<b>63</b>	<b>14,524</b>
<b>Movements in fair value</b>									
Additions	1,585	260	151	438	1,000	19	3,453	3,906	7,359
Contributions	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	468	468	-	468
Disposal	(895)	(26)	(1,363)	-	(1,631)	-	(3,916)	-	(3,916)
Write-off	-	-	-	-	-	-	-	(197)	(197)
Transfers	-	-	(181)	-	-	-	(181)	(3,457)	(3,638)
Impairment losses recognised in operating	-	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	518	518	-	518
	<b>690</b>	<b>234</b>	<b>(1,393)</b>	<b>438</b>	<b>(631)</b>	<b>1,005</b>	<b>343</b>	<b>252</b>	<b>595</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(1,505)	(322)	(137)	(326)	(937)	-	(3,228)	-	(3,228)
Accumulated depreciation of disposals	886	26	1,353	-	1,631	-	3,897	-	3,897
Impairment losses recognised in operating	-	-	-	-	-	-	-	-	-
Transfers	-	-	19	-	-	-	19	-	19
Accumulated depreciation on found Assets	-	-	-	-	-	-	-	-	-
	<b>(619)</b>	<b>(296)</b>	<b>1,235</b>	<b>(326)</b>	<b>694</b>	<b>-</b>	<b>688</b>	<b>-</b>	<b>688</b>
At fair value 30 June 2021	18,775	3,776	1,571	4,186	9,616	1,860	39,785	315	40,100
Accumulated depreciation at 30 June 2021	(13,096)	(2,143)	(778)	(3,643)	(4,634)	-	(24,293)	-	(24,293)
	<b>5,679</b>	<b>1,633</b>	<b>794</b>	<b>544</b>	<b>4,982</b>	<b>1,860</b>	<b>15,492</b>	<b>315</b>	<b>15,806</b>

**Moreland City Council**  
**2020/2021 Financial Report**

**(c) Infrastructure**

	Road surface	Road pavement	Drainage	Footpaths	Kerb and channel	Bridges/retaining walls	Other infrastructure	Total Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	87,134	347,582	234,148	130,286	97,981	29,879	114,970	1,041,981	9,959	1,051,940
Accumulated depreciation at 1 July 2020	(26,125)	(131,897)	(90,891)	(34,136)	(16,935)	(13,455)	(52,944)	(366,382)	-	(366,382)
	<b>61,010</b>	<b>215,685</b>	<b>143,257</b>	<b>96,150</b>	<b>81,047</b>	<b>16,424</b>	<b>62,026</b>	<b>675,599</b>	<b>9,959</b>	<b>685,558</b>
<b>Movements in fair value</b>										
Additions	2,352	2,834	3,477	5,388	1,585	2,473	2,356	20,465	20,845	41,310
Contributions	-	-	401	-	-	-	-	401	-	401
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	(1,133)	(2,759)	(392)	(2,162)	(685)	(59)	(298)	(7,489)	-	(7,489)
Write-off	-	-	-	-	-	-	-	-	(3,488)	(3,488)
Transfers	-	-	-	-	-	-	-	-	(21,616)	(21,616)
Found Assets	-	196	26	1	-	-	(19)	204	-	204
	<b>1,219</b>	<b>271</b>	<b>3,511</b>	<b>3,227</b>	<b>900</b>	<b>2,414</b>	<b>2,039</b>	<b>13,580</b>	<b>(4,259)</b>	<b>9,321</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(2,761)	(3,492)	(2,404)	(2,932)	(1,361)	(417)	(4,990)	(18,356)	-	(18,356)
Accumulated depreciation of disposals	480	1,641	194	1,062	137	59	174	3,747	-	3,747
Accumulated depreciation Transfers	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on found Assets	-	-	(1)	(3)	-	-	-	(4)	-	(4)
	<b>(2,281)</b>	<b>(1,850)</b>	<b>(2,211)</b>	<b>(1,873)</b>	<b>(1,224)</b>	<b>(358)</b>	<b>(4,816)</b>	<b>(14,613)</b>	<b>-</b>	<b>(14,613)</b>
At fair value 30 June 2021	88,353	347,852	237,659	133,513	98,882	32,292	117,009	1,055,561	5,700	1,061,261
Accumulated depreciation at 30 June 2021	(28,405)	(133,747)	(93,102)	(36,009)	(18,159)	(13,813)	(57,761)	(380,997)	-	(380,997)
	<b>59,948</b>	<b>214,106</b>	<b>144,557</b>	<b>97,504</b>	<b>80,723</b>	<b>18,479</b>	<b>59,248</b>	<b>674,564</b>	<b>5,700</b>	<b>680,264</b>

**Moreland City Council  
2020/2021 Financial Report**

**Notes to the Financial Report  
For the Year Ended 30 June 2021**

**Acquisition**

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

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

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

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit
		\$'000
Land & land improvements		
land	N/A	No limit
land improvements	N/A	No limit
Buildings		
buildings	20-260 years	1
building and leasehold improvements	N/A	1
plant, machinery and equipment	3-10 years	1
furniture and fittings	3-10 years	1
computer equipment	3-10 years	1
library books	3-10 years	1
motor vehicles	up to 10 years	3
artworks	not applicable	1
Infrastructure		
roads surface	Up to 40 years	1
roads pavement	Up to 100 years	1
drainage	Up to 100 years	1
footpaths	Up to 100 years	1
kerb and channel	Up to 100 years	1
bridges	Up to 200 years	1
Other infrastructure		
Street furniture	10 to 20 years	1
Recreational, leisure and community facilities	10 to 50 years	1
Parks, open space and streetscapes	10 to 100 years	1
Playground equipment and other structures	10 to 100 years	1
Right of use assets		
right of use assets	1-10 years	1

**Land under roads**

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

**Depreciation and amortisation**

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

**Repairs and maintenance**

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.

**Leasehold improvements**

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, there are no leasehold improvements.

**Moreland City Council  
2020/2021 Financial Report**

**Valuation of land and buildings**

A revaluation is necessary when the fair value of each revalued class of asset differs materially from its carrying amount at balance date. Liam McNamara (Qualified CPV valuer) from Opteon Property Group, has completed a review of the carrying amount of land and building assets as at 30 June 2021. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued at a discount of 20 percent to market value based on legal precedents. Where land use is restricted through existing planning provisions, the valuation is reduced to reflect this limitation. The review methodology included analysis of recent land and building sales to determine the movement in values as displayed by the market. To ascertain a level of market value movement, Opteon Property Group reviewed the sales data throughout Moreland City Council from the 1st July 2020 to the 30th June 2021, to determine the material change in the underlying land value of each property sector. The property sectors referred to include residential, commercial and industrial property classifications. The change in the underlying land value of each sector over the analysed period has been residential 4.20%, commercial 4.17% and industrial 3.69%. These movements can be summarised across all combined sectors to reflect an average change of 4.19% for that period. In addition, to determine the change in council owned buildings, reference was made to the building cost index "Rawlinson's Construction Guide 2021." The building cost index derived from this reference source has indicated an immaterial change in value over the period of 3.98%. From the valuer analysis, the movement in the value of the land and building assets since the last valuation undertaken as at 1st March 2020 was not material and therefore the change was not applied to Moreland City Council's land and building asset register.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Non-specialised Land	-	291,467	0	Mar-20
Specialised land	-	-	1,029,896	Mar-20
Buildings	-	-	232,624	Mar-20
Total	-	<b>291,467</b>	<b>1,262,520</b>	

**Valuation of infrastructure**

Fair value assessments have been performed at 30 June 2021 for Infrastructure. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2023-24.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	274,049	Jun-20
Kerbs	-	-	80,722	Jun-20
Bridges	-	-	18,479	Jun-20
Footpaths and cycleways	-	-	97,505	Jun-20
Drainage	-	-	144,558	Jun-20
Recreational, leisure and community facilities	-	-	17,385	Jul-19
Parks, open space and streetscapes	-	-	32,265	Jul-19
Other infrastructure	-	-	9,600	Jul-19
Total	-	-	<b>674,562</b>	

**Moreland City Council  
2020/2021 Financial Report**

---

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

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$2 and \$10,000 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$190 to \$33,273 per square metre. The remaining useful lives of buildings are determined based on the current condition of buildings and vary from 2 years to 260 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 2 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>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Land under roads	3,896	3,697
Parks and reserves	1,026,000	1,025,342
<b>Total specialised land</b>	<b>1,029,896</b>	<b>1,029,039</b>

**Moreland City Council**  
**2020/2021 Financial Report**

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

<b>6.2 Investments in associates, joint arrangements and subsidiaries</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Investments in associates</b>		
Shares in Procurement Australasia Ltd	2	2
	<b>2</b>	<b>2</b>
<b>6.3 Investment property</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	26,000	26,695
Additions	-	189
Disposals	-	-
Fair value adjustments	1,225	(884)
Balance at end of financial year	<b>27,225</b>	<b>26,000</b>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

**Valuation of investment property**

Valuation of investment property has been determined in accordance with an independent valuation by Opteon Property Group who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**Note 7 People and relationships**

**7.1 Council and key management remuneration**  
**(a) Related Parties**

Parent entity  
 Moreland City Council is the parent entity.

**(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**

Mayor Annalivia Carli Hannan  
 Deputy Mayor Mark Riley  
 Councillor Lambros Tapinos (Mayor from 1/7/20 to 17/11/20)  
 Councillor James Conlan (from 17/11/20 to current)  
 Councillor Oscar Yildiz  
 Councillor Helen Davidson  
 Councillor Angelica Panopolus (from 17/11/20 to current)  
 Councillor Milad El-Halabi (from 17/11/20 to current)  
 Councillor Adam Pulford (from 17/11/20 to current)  
 Councillor Sue Bolton  
 Councillor Helen Pavlidis (from 17/11/20 to current)  
 Councillor Natalie Abboud (from 1/7/20 to 17/11/20)  
 Councillor Dale Martin (from 1/7/20 to 17/11/20)  
 Councillor Jess Dorney (from 1/7/20 to 17/11/20)  
 Councillor John Kavanagh (from 1/7/20 to 17/11/20)  
 Councillor Ali Irfanli (from 1/7/20 to 17/11/20)

**Key Management Personnel**

Chief Executive Officer Cathy Henderson  
 Director City Futures Kirsten Coster  
 Director Engagement and Partnerships Joseph Tabacco  
 Director Community Development Arden Joseph  
 Director City Infrastructure Grant Thorne (from 1/7/20 to 31/8/20)  
 Director City Infrastructure (acting) Greg Gale (from 31/10/20 to 6/11/20)  
 Director City Infrastructure (acting) Andrew Dodd (from 1/9/20 to 30/10/20)  
 Director City Infrastructure Anita Curnow (from 9/11/20)  
 Director Business Transformation Sue Vujcevic  
 Executive Manager Finance Elizabeth Rowland (from 1/7/20 to 17/7/20)  
 Executive Manager Finance Melissa Baker (from 18/7/20 to 3/11/20)

	2021	2020
	No.	No.
<b>Total Number of Councillors</b>	16	11
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	11	10
<b>Total Number of Key Management Personnel</b>	<b>27</b>	<b>21</b>
	2021	2020
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	2,530	2,508
Long-term benefits	29	46
Post employment benefits	210	220
<b>Total</b>	<b>2,769</b>	<b>2,774</b>

**Moreland City Council  
2020/2021 Financial Report**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
\$0 - \$29,999	11	-
\$30,000 - \$39,999	4	9
\$40,000 - \$69,999	1	2
\$70,000 - \$79,999	1	-
\$80,000 - \$119,999	2	1
\$120,000 - \$129,999	-	-
\$130,000 - \$219,999	3	1
\$220,000 - \$229,999	-	2
\$230,000 - \$239,999	-	-
\$240,000 - \$249,999	-	2
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	1	-
\$270,000 - \$279,999	-	2
\$280,000 - \$289,999	1	-
\$290,000 - \$339,999	1	1
\$340,000 - \$389,999	1	-
	<b>27</b>	<b>21</b>

**(d) 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 \$151,000

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Income Range:		
\$150,000 - \$159,999	6	9
\$160,000 - \$169,999	8	7
\$170,000 - \$179,999	5	4
\$180,000 - \$189,999	6	5
\$190,000 - \$199,999	2	2
\$200,000 - \$209,999	4	3
\$210,000 - \$219,999	-	1
\$220,000 - \$269,999	2	-
	<b>33</b>	<b>31</b>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

5,906,674	5,396,529
-----------	-----------

**Moreland City Council**  
**2020/2021 Financial Report**

7.2	<b>Related party disclosure</b>	2021	2020
	<b>(a) Transactions with related parties</b>	\$'000	\$'000
	During the period Council entered into the following transactions with related parties.	0	0
	<b>(b) Outstanding balances with related parties</b>		
	The following balances are outstanding at the end of the reporting period in relation to transactions with related parties	0	0
	<b>(c) Loans to/from related parties</b>		
	The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:	0	0
	<b>(d) Commitments to/from related parties</b>		
	The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:	0	0

*Moreland City Council  
2020/2021 Financial Report*

---

**Notes to the Financial Report  
For the Year Ended 30 June 2021**

**Note 8 Managing uncertainties  
8.1 (a) Contingent assets**

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively. As at 30 June 2021 there were no Contingent Assets identified by Council.

**(b) Contingent liabilities**

As at 30 June 2021, the following Contingent Liabilities have been identified by Council.

**Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

**Insurance claims**

Council is presently involved in several confidential insurance matters, which are being conducted through Council's insurer. 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.

**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.

**Moreland City Council**  
**2020/2021 Financial Report**

---

**8.2 Change in accounting standards**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

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

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

**(b) Market risk**

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

**Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 2020.

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.

**Moreland City Council  
2020/2021 Financial Report**

---

**(c) Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

**(d) Liquidity risk**

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

**(e) Sensitivity disclosure analysis**

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

- A parallel shift of + 0.70% and -0.30% in market interest rates (AUD) from year-end rates of 0.30%.
- 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 Report  
For the Year Ended 30 June 2021**

**8.4 Fair value measurement**

**Fair value hierarchy**

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.

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

**Revaluation**

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis. The valuation is performed either by experienced council officers or independent experts.

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

**Impairment of assets**

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

**8.5 Events occurring after balance date**

At the time of preparing the statements, Victoria had entered lockdown 5 and we are currently in lockdown 6. Other than the impacts related to COVID-19, no additional matters have occurred after balance date that require disclosure in the financial report.

**Moreland City Council**  
**2020/2021 Financial Report**

**Note 9 Other matters**

**9.1**

<b>Reserves</b>	<b>Balance at beginning of reporting period</b>	<b>Increment (decrement)</b>	<b>Balance at end of reporting period</b>
<b>(a) Asset revaluation reserves</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2021</b>			
<b>Property</b>			
Land and land improvements	990,403	199	990,603
Buildings	93,140	-	93,140
	1,083,544	199	1,083,743
<b>Infrastructure</b>			
Road surface	61,805	-	61,805
Road pavement	160,890	-	160,890
Bridges	12,428	-	12,428
Footpaths	70,912	-	70,912
Drainage	95,066	14	95,080
Kerb and channel	68,304	-	68,304
Other structures	59,210	-	59,210
	528,615	14	528,629
<b>Other</b>			
Artworks	-	468	468
	-	468	468
<b>Total asset revaluation reserves</b>	<b>1,612,159</b>	<b>681</b>	<b>1,612,840</b>

<b>2020</b>			
<b>Property</b>			
Land and land improvements	983,214	7,190	990,403
Buildings	78,844	14,296	93,140
	1,062,058	21,486	1,083,544
<b>Infrastructure</b>			
Road surface	62,783	(978)	61,805
Road pavement	96,429	64,461	160,890
Bridges	12,224	204	12,428
Footpaths	30,470	40,442	70,912
Drainage	53,771	41,295	95,066
Kerb and channel	27,746	40,558	68,304
Other structures	52,274	6,936	59,210
	335,697	192,918	528,615
<b>Total asset revaluation reserves</b>	<b>1,397,755</b>	<b>214,404</b>	<b>1,612,160</b>

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

	<b>Balance at beginning of reporting period</b>	<b>Transfer from accumulated surplus</b>	<b>Transfer to accumulated surplus</b>	<b>Balance at end of reporting period</b>
<b>(b) Other reserves</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2021</b>				
Public resort and recreation land fund (restricted)	18,440	11,135	(3,508)	26,067
Housing Strategy	753	128	(212)	669
Leisure centre development reserve	3,132	-	(1,393)	1,739
Moreland Defined Benefit reserve	11,079	1,921	-	13,000
Significant Projects reserve	16,965	6,416	(8,132)	15,249
Bridge works reserve	729	-	(729)	0
Local Government Funding Vehicle Developer Contribution Plan reserve (restricted)	-	1,405	-	1,405
Carry Forward Reserve	2,656	1,343	(883)	3,116
	8,567	17,822	(8,567)	17,822
<b>Total Other reserves</b>	<b>62,321</b>	<b>40,170</b>	<b>(23,423)</b>	<b>79,067</b>
<b>2020</b>				
Public resort and recreation land fund (restricted)	20,322	11,960	(13,842)	18,440
Housing Strategy	740	95	(82)	753
Leisure centre development reserve	3,126	500	(495)	3,132
Moreland Defined Benefit reserve	8,422	2,657	-	11,079
Significant Projects reserve	10,415	7,756	(1,206)	16,965
Bridge works reserve	1,900	500	(1,671)	729
Oak Park SAC redevelopment	34	-	(34)	0
Local Government Funding Vehicle Developer Contribution Plan reserve (restricted)	3,492	1,405	(4,897)	-
	1,856	1,465	(665)	2,656
Carry Forward Reserve	-	8,567	-	8,567
<b>Total Other reserves</b>	<b>50,306</b>	<b>34,905</b>	<b>(22,892)</b>	<b>62,321</b>

**Moreland City Council**  
**2020/2021 Financial Report**

---

The Public Resort and Recreation Land Fund accumulates developers contributions paid to Council and is used to provide or improve recreation land and facilities.

The Housing Strategy provides funds for the purchase of community housing projects along with other housing initiatives.

The Leisure Centre Development Reserve accumulates funds from the savings derived from the outsourcing of the leisure centre facilities. These funds are and will continue to be used to maintain and upgrade these facilities.

Moreland Defined Benefit Reserve provides funds for payments requested by Vision Super to meet our superannuation obligations under the defined benefit scheme.

The Significant Projects Reserve accumulates funds to be on significant projects, currently the two projects are Wheatsheaf Community Hub and Saxon Street.

Bridges works Reserve funds works to construct or repair major bridges within Moreland City Council.

The Oak Park SAC Redevelopment Reserve accumulates funds set aside to be used in the complete redevelopment of the Oak Park facility.

The Local Government Funding Vehicle reserve accumulates funds to be used to reduce the LGFV bonds held by Council.

The Developers Contribution Plan Reserve (DCP) accumulates developers funds paid to Council in respect of developments within particular Plan areas and is used to contribute towards payment of a ten year Capital works

**Notes to the Financial Report  
For the Year Ended 30 June 2021**

<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Surplus/(deficit) for the year	29,392	31,142
Depreciation	27,517	25,678
Profit/(loss) on disposal of property, infrastructure, plant and equipment	5,054	5,303
Fair value adjustments for investment property	(1,225)	884
Contributions - Non-monetary assets	(401)	(468)
Finance costs	937	1,090
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(7,519)	1,715
(Increase)/decrease in prepayments	(46)	(705)
Increase/(decrease) in accrued income	3,956	2,718
Increase/(decrease) in trade and other payables	(2,719)	(6,854)
(Decrease)/increase in other liabilities	-	-
(Increase)/decrease in inventories	(102)	55
Increase/(decrease) in provisions	1,035	1,728
Increase/(decrease) in trust funds	654	(1,265)
Net cash provided by/(used in) operating activities	<b>56,535</b>	<b>61,020</b>

**9.3 Superannuation**

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund Vision Super (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 Operating Statement when they are made or due.

**Accumulation**

Council makes 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 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

**Defined Benefit**

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Moreland City 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 Employee Benefits.

**Funding arrangements**

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%.

The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa  
Salary information 2.5% pa for two years and 2.75% pa thereafter  
Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%.

The financial assumptions used to calculate the VBI were:

Net investment returns 4.8% pa  
Salary information 2.75% pa  
Price inflation (CPI) 2.25% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation. 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, the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation or the Defined Benefit category has a shortfall for the purposes of SPS 160, 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.

**The 2020 triennial actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer.

Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2020 (Triennial)	2019 (Interim)
	\$m	\$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

**The 2021 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

**Superannuation contributions**

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021	2020
			\$'000	\$'000
Vision super	Defined benefit	9.50%	468	668
Vision super	Accumulation fund	9.50%	3,549	3,479
Other Funds	Accumulation fund	9.50%	4,425	2,912

**Notes to the Financial Report**  
**For the Year Ended 30 June 2021**

**10 Change in accounting policy**

**The following Accounting Standard Changes are effective for the reporting period. The impact of these standards has been reviewed and have not resulted in changes to accounting policies or adjustments to the amounts recognised in the financial statements.**

AASB 2019-1 Amendments to AASs – References to the Conceptual Framework  
 AASB 2018-6 Amendments to AASs – Definition of a Business  
 AASB 2019-3 Amendments to AASs – Interest Rate Benchmark Reform [Phase 1]  
 AASB 2019-5 Amendments to AASs – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia  
 AASB 1059 Service Concession Arrangements: Grantors  
 AASB 2019-2 Amendments to AASs – Implementation of AASB 1059  
 AASB 2021-4 Amendments to AASs – Modified Retrospective Transition Approach for Service Concession Grantors  
 AASB 2020-4 Amendments to AASs – Covid-19-Related Rent Concessions

**The following Accounting Standard Changes are effective for the reporting period. The impact of these standards has been reviewed and have resulted in changes to accounting policies or adjustments to the amounts recognised in the financial statements.**

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material  
 Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020. The amendments align the definition of 'material' across AASB 101 and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

AASB 1059 Service Concession Arrangements: Grantors  
 Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. The standard requires a grantor to recognise a service concession asset constructed, developed or acquired by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset. This change has not resulted in any adjustments to the amounts recognised in the financial statements.

**The following Accounting Standard Changes are effective for Future reporting periods and have not been early adopted. The impact of these standards have been reviewed and we do not expect that these standards will have any significant impact on council.**

AASB 2020-5 Amendments to AASs – Insurance Contracts (Effective 1 January 2021)  
 AASB 2020-8 Amendments to AASs – Interest Rate Benchmark Reform – Phase 2 (Effective 1 January 2021)  
 AASB 2021-3 Amendments to AASs – Covid-19-Related Rent Concessions beyond 30 June 2021 (Effective 1 April 2021)  
 AASB 2020-7 Amendments to AASs – Covid-19-Related Rent Concessions: Tier 2 Disclosures (Effective 1 July 2021)  
 AASB 2020-9 Amendments to AASs – Tier 2 Disclosures: Interest Rate Benchmark Reform - Phase 2 (Effective 1 July 2021)

## PERFORMANCE STATEMENT

For the year ended 30 June 2021

### Description of municipality

The City of Moreland is located between 4km and 14km north of central Melbourne. It covers the suburbs of: Brunswick, Brunswick East, Brunswick West, Pascoe Vale, Pascoe Vale South, Coburg, Coburg North, Hadfield, Fawkner, Glenroy, Oak Park, Gowanbrae and small sections of Fitzroy North and Tullamarine.

In 2020, our estimated resident population was 188,762. Our population forecasts suggest our population will grow by another 21 percent by 2036. (This forecast is from before the COVID-19 pandemic.)

Moreland is a highly culturally and linguistically diverse municipality. Today over 1 in 3 residents in Moreland were born overseas in more than 100 countries around the world.

In the post-war period, migrants from Italy and Greece made up most of the city's new residents. Today, the largest groups of new arrivals are from India, Pakistan and China. Residents speak approximately 140 different languages at home.

Moreland is also home to a vibrant community of local businesses and employment opportunities. Moreland was an early industrial centre but its economy has changed over the years.

Residents were historically much more likely to work in manufacturing. Today, the health and service sectors are our largest employers. Moreland is also the proud home to a vibrant creative sector, supporting a wide range of arts and cultural activities.

### The Covid-19 pandemic

In January 2020, the World Health Organization declared the outbreak of Covid-19 a public health emergency of international concern. In March 2020, Covid-19 was declared a global pandemic.

On 16 March 2020, a State of Emergency was declared in Victoria in relation to the pandemic. A national restriction was put in place on gatherings. There was also a nationwide call to work from home and significantly lower levels of activity in the economy and community.

Where these changes have affected council services, they are noted in the comments section in the following Performance Statement.

## Sustainable Capacity Indicators

	<i>Indicator / Measure</i> [Formula]	Results				Comments
		2018	2019	2020	2021	
<i>Population</i>						
<b>C1</b>	Expenses per head of municipal population [Total expenses / Municipal population]	\$1,000.12	\$1,065.22	\$1,023.60	\$1,107.12	Throughout 2020-21 Council had an increase in expenditure, however the expenditure is anticipated to reduce to 'business as usual' in the outer year forecast. The increased expenditure is primarily due to Council's participation in the Working for Victoria (state funded) program, which saw an increased spend of \$14.9 million in the 2020-21 financial year as well as the costs associated with running the Council elections. The calculation does not take in to account the additional funding received by the State Government to fund the Working for Victoria program.
<b>C2</b>	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$3,974.14	\$3,934.86	\$5,006.38	\$5,046.30	The result achieved has remained consistent over the last 2 years.
<b>C3</b>	Population density per length of road [Municipal population / Kilometres of local roads]	281.19	288.91	295.34	299.62	The result achieved has remained consistent, with population growth as a result of increased housing opportunities, available through numerous 2 lot subdivisions of existing lots and the construction of multi-level accommodation.
<i>Own-source revenue</i>						
<b>C4</b>	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$989.11	\$983.31	\$986.20	\$985.51	The result achieved has remained consistent. Council was significantly impacted by the Covid-19 pandemic, which has resulted in a reduction in own-sourced revenue.
<i>Recurrent grants</i>						
<b>C5</b>	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$119.76	\$104.36	\$99.33	\$100.64	The result achieved has remained consistent. This reflects the number of ongoing grants received in comparison to the municipal population. As the grants are of a recurrent nature, it is expected that the results will increase slightly year on year due to changes in the Consumer Price Index (CPI).
<i>Disadvantage</i>						
<b>C6</b>	Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	There has been no change to relative socio-economic disadvantage over the past 4 years.
<i>Workforce turnover</i>						
<b>C7</b>	Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.7%	12.1%	9.0%	14.7%	2019-20 turnover was lower considering the initial impact of the Covid-19 pandemic and increased desire for employment continuity. 2020-21 has seen an increase in staff turnover, which can be attributed to a range of factors including in part to the Covid-19 pandemic resulting in employees now reviewing their personal circumstances (including sea and tree changes) and competition from a strengthening labour market.

## Service Performance Indicators

	Service <i>Indicator / Measure</i> [Formula]	Results				Comments
		2018	2019	2020	2021	
<b>Aquatic Facilities</b>						
<i>Utilisation</i>						
<b>AF6</b>	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.30	6.18	4.49	2.31	Ongoing impacts of the Covid-19 pandemic saw multiple closures and continued capacity restrictions in place having a significant impact on attendances throughout the year.
<b>Animal Management</b>						
<i>Health and safety</i>						
<b>AM7</b>	Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	100%	100%	We successfully prosecuted all cases taken to court.
<b>Food Safety</b>						
<i>Health and safety</i>						
<b>FS4</b>	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	97.60%	100.00%	100.00%	95.05%	Most non-compliances identified through assessments and inspections have been followed up to ensure compliance with relevant standards is achieved.
<b>Governance</b>						
<i>Satisfaction</i>						
<b>G5</b>	Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	59	54	56	58	This improvement is in line with prior years. Council continues to increase its transparency through the live streaming of meetings and interaction with the community on a range of engagement platforms.
<b>Libraries</b>						
<i>Participation</i>						
<b>LB4</b>	Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	14.85%	13.85%	13.65%	12.01%	The result for this measure has decreased due to reduced services and closures during the Covid-19 pandemic. With libraries either closed or offering reduced hours for 80 percent of the year, library members were less able to make active use of library collections.

	Service	Results				Comments
	<i>Indicator / Measure</i> [Formula]	2018	2019	2020	2021	
<b>Maternal and Child Health (MCH)</b>						
<i>Participation</i>						
<b>MC4</b>	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	69.61%	71.41%	72.27%	69.79%	Due to Covid-19 lockdowns we have seen fewer clients face to face. Clients have rescheduled appointments to when face to face meetings can take place. During lockdowns priority was given to 0 to 8-week-old babies and vulnerable families as advised by the Department of Health.
<i>Participation</i>						
<b>MC5</b>	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	65.12%	77.78%	71.43%	68.86%	Due to the Covid-19 pandemic and lockdowns, appointments have been rescheduled by either the client or the service.
<b>Roads</b>						
<i>Satisfaction</i>						
<b>R5</b>	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	62	57	57	60	We continue to maintain a satisfactory level of customer satisfaction with sealed local roads. The 2020-21 score of 60 is aligned to the average rating of 59 over the past 4 years.
<b>Statutory Planning</b>						
<i>Decision making</i>						
<b>SP4</b>	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	51.09%	47.14%	67.57%	75.00%	The improved results reflect a significantly reduced number of cases before VCAT in 2020-21 and a willingness of applicants to negotiate rather than wait an extended time for a hearing before VCAT.
<b>Waste Collection</b>						
<i>Waste diversion</i>						
<b>WC5</b>	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	44.18%	43.65%	48.48%	49.39%	Kerbside collection waste diverted from landfill is trending in the right direction. A 500 tonne reduction in garbage was achieved alongside a 5000 tonne increase in recyclables and food and garden organics.

## Financial Performance Indicators

	Dimension	Results				Forecasts				Material Variations and Comments
	<i>Indicator / Measure</i>	2018	2019	2020	2021	2022	2023	2024	2025	
<b>Efficiency</b>										
<i>Expenditure level</i>										
<b>E2</b>	Expenses per property assessment [Total expenses / Number of property assessments]	\$2,242.50	\$2,390.96	\$2,304.75	\$2,504.57	\$2,378.84	\$2,358.98	\$2,374.27	\$2,401.70	Throughout 2020-21 Council had an increase in expenditure, however the expenditure is anticipated to reduce to 'business as usual' in the outer year forecast. The increased expenditure is primarily due to Council being a part of the Working for Victoria (state funded) program, which saw an increased spend of \$14.9 million in the 2020-21 financial year as well as the costs associated with running the Council elections. The calculation does not take in to account the revenue received by the State Government to fund the Working for Victoria program.
<i>Revenue level</i>										
<b>E4</b>	Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	New in 2020	\$1,713.62	\$1,743.48	\$1,793.67	\$1,805.29	\$1,823.07	\$1,841.03	The result achieved has remained consistent. Council has increased the rate base by the rate cap that is set by the State Government.
<b>Liquidity</b>										
<i>Working capital</i>										
<b>L1</b>	Current assets compared to current liabilities [Current assets / Current liabilities] x100	347.78%	213.05%	262.66%	241.44%	271.04%	314.31%	321.48%	356.31%	The result achieved has remained consistent. The level of working capital (current assets divided by current liabilities) is forecasted to remain at an acceptable level.
<i>Unrestricted cash</i>										
<b>L2</b>	Unrestricted cash compared to current liabilities	-17.08%	112.36%	119.59%	96.17%	112.32%	147.84%	148.89%	175.03%	Current liabilities have increased due to a \$9.0 million Local Government

	Dimension	Results				Forecasts				Material Variations and Comments
	<i>Indicator / Measure</i>	2018	2019	2020	2021	2022	2023	2024	2025	
	[Unrestricted cash / Current liabilities] x100									Funding Vehicle (LGFV) bond due for repayment in November 2021. The indicator is forecast to increase in the outer years.
<b>Obligations</b>										
<i>Loans and borrowings</i>										
<b>O2</b>	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	25.81%	23.39%	16.51%	21.04%	19.90%	23.32%	21.19%	19.08%	Council's borrowings increased by \$9.5 million during the 2020-21 financial year, this loan was to partially fund the Glenroy Community Hub.
<b>O3</b>	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	9.22%	1.65%	6.43%	1.38%	1.68%	2.42%	2.37%	2.32%	A \$9.0 million interest only loan was repaid in 2019-20 which resulted in an increase to the borrowing repayments compared to rates. Council is forecasting to borrow in 2022-23 to roll out the Kerbside Waste Reform. These borrowings will be included in the waste charge calculation (cost recovery model).
<i>Indebtedness</i>										
<b>O4</b>	Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	21.25%	15.66%	14.62%	14.14%	17.20%	19.89%	18.02%	16.15%	Non-current liabilities reduced as a \$9.0 million loan is now treated as a current liability as it is due for repayment in November 2021. Non-current liabilities are anticipated to increase in 2022-23 with forecast borrowings to roll out the Kerbside Waste Reform.
<i>Asset renewal and upgrade</i>										
<b>O5</b>	Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	70.02%	95.57%	140.64%	141.91%	194.68%	161.95%	The asset renewal and upgrade expenditure in both 2019-20 and 2020-21 is lower than anticipated due to the significant volume of capital projects carried forward due to Covid-19 restrictions. Council's renewal and upgrade expenditure will fluctuate year

	Dimension	Results				Forecasts				Material Variations and Comments
	<i>Indicator / Measure</i>	2018	2019	2020	2021	2022	2023	2024	2025	
										on year, based on the projects being forecast to be delivered. Council has forecast to maintain a ratio of greater than 100 percent. This means that Council is maintaining its existing assets.
<b>Operating position</b>										
<i>Adjusted underlying result</i>										
<b>OP1</b>	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	17.61%	9.31%	13.56%	10.28%	13.38%	14.42%	14.35%	14.19%	This year's result has reduced slightly in comparison to 2019-20. This is primarily due to the \$2.2 million reduction in statutory fees and fines as a result of the ongoing impacts of Covid-19 lockdowns and restrictions. The reduction was also impacted by the timing of the Working for Victoria program. Council incurred Working for Victoria expenditure in 2020-21 which related to grant funds received in the prior year.
<b>Stability</b>										
<i>Rates concentration</i>										
<b>S1</b>	Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	65.79%	70.75%	72.15%	70.18%	74.90%	76.16%	76.49%	76.62%	The result of this indicator has remained consistent over the last few years. The small increase year on year is due to supplementary rates issued.
<i>Rates effort</i>										
<b>S2</b>	Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.28%	0.24%	0.28%	0.27%	0.28%	0.28%	0.28%	0.28%	The result achieved has remained consistent.

## Definitions

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the Aboriginal Heritage Act 2006

“Active library member” means a member of a library who has borrowed a book from the library

“Annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the Act

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

“Class 1 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

“Class 2 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

“Critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

“Food premises” has the same meaning as in the Food Act 1984

“Infrastructure” means non-current property, plant and equipment excluding land

“Local road” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

“Major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

“MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

“Population” means the resident population estimated by council

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

Number 2033.0.55.001) of SEIFA

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

“WorkSafe reportable aquatic facility safety incident” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004

“Adjusted underlying revenue” means total income other than:

non-recurrent grants used to fund capital expenditure; and

non-monetary asset contributions; and

contributions to fund capital expenditure from sources other than those referred to above

“Adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure

“Asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

“Current assets” has the same meaning as in the AAS

“Current liabilities” has the same meaning as in the AAS

“Non-current assets” means all assets other than current assets

“Non-current liabilities” means all liabilities other than current liabilities

“Non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

“Own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

“Population” means the resident population estimated by council

“Rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“Recurrent grant” means a grant other than a non-recurrent grant

“Residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

“Unrestricted cash” means all cash and cash equivalents other than restricted cash.

### Other Information – Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan adopted on 8 July 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.



**Base carry forwards – tied funding**

The following details a list of base carry forwards. These include any grants or contributions that were received during the 2020-21 financial year, which have agreed spending obligations or conditions that have not been fully completed at 30 June 2021. The below grants do not meet the conditions or materiality threshold to be treated as a liability as per accounting standards.

Base carry forwards from 2020-21	Amount
Meals on Wheels - Covid emergency funding	265,000
Maternal Child Health - Sleep & Settling	225,302
Economic Development - Business connections & hospitality support	112,739
Places - Creative Neighbourhood	100,000
Libraries After Dark (Entire Program, excluding Moreland)	84,784
Children Services - Early Years Infrastructure planning	64,277
Communications - Business Concierge Program	50,000
Children Services - Kinder Outreach	41,349
Libraries - Health & Wellbeing	28,600
Community Services - LGV Covid relief program	27,988
Communications - Vaccine program	20,000
Youth Services - Freeza	16,356
Libraries - Be Connected	15,000
Libraries - Libraries after Dark (Moreland)	14,131
Social Policy - Multicultural Issues Network	12,048
Maternal Child Health - Workforce	5,750
	<b>1,083,324</b>

**Opex carry forwards**

Project	TOTAL C/F
Saxon St Community Hub	167,940
Covid Recovery - Disability Employment Program	155,734
COVID-19 Relief & Rebuild - Solar Thermal	57,000
Covid Recovery & Rebuild - Disability Grants	50,000
Covid relief & rebuild public art Wheatsheaf	50,000
Zero Carbon Moreland Climate Emergency Implementation Plan	38,211
Living and Ageing Well Implementation Plan	36,188
Social Cohesion Implementation Plan	29,450
Community Wellbeing – Homelessness - Street Count	16,290
Food System Strategy	11,200
Moreland Nature Plan	10,275
	<b>622,288</b>

## Capital carry forwards

Project	Delay reason	Expected completion date	TOTAL C/F
Waste Truck Replacement - Walter St Depot	COVID-19	September 2021	5,600,000
Park Close to Home Frith Street	Extended Engagement	April 2023	1,862,375
Glenroy Community Hub	Brought forward from 2021/22 - the project is tracking ahead (the budget allocated in 2020/21 was fully spent, and funds allocated in the 2021/22 budget were utilised in the 2020/21 year).		-715,342
Coburg Leisure Centre SPA and Sauna, refurbishment of change room	COVID-19	October 2021	851,526
Spry Street Park Development : Spry St, Coburg North	COVID-19	February 2022	656,608
HOSKEN RESERVE- Synthetic Soccer : 39A Shorts Road	Subject to Hosken Reserve Masterplan Refresh Process	TBA	620,000
Gavin Park wetland - Westbreen Creek Conservation and Management Plan implementation	Construction risk realised	June 2022	592,879
Moonee Ponds Creek Bridge	Extended design process & Covid	TBA	580,439
SUMNER PARK : 3 Alister Street, North Fitzroy	Uncertainty of funding for full scope	June 2022	521,672
Gowanbrae Open Space Development : Gowanbrae	Engineering challenges during design	June 2022	280,123
Council Phone Platform Upgrade	COVID-19	December 2021	268,830
Merri Creek Trail Access and Safety Upgrades - Various	COVID-19	June 2022	241,855
BALLOAN STREET : SUTHERLAND - DEAD END, COBURG	Construction risk realised	September 2022	231,140
Park ST Child Care Centre : 785 Park Street, Brunswick	Uncertainty of funding for full scope	June 2022	225,732
CHARLES MUTTON RES - Pavilion : 86 Lorne St, Fawkner	Awaiting external grant bid outcome	June 2022	215,816
Sportsfield Lighting	Extended engagement	TBA	200,000
Equipment Refresh & Services : Various	COVID-19	November 2021	182,484
Park Asset Renewal - Anderson Park (Play renewal)	Internal resourcing	June 2022	114,714
Playground Strategy - Dunstan Reserve	Internal resourcing	October 2022	107,343
Fleming Park Master Plan Implementation	Budget phasing did not match implementation plan	December 2022	102,468
Park Asset Renewal - Harmony Park Refresh (play renewal)	COVID-19	November 2021	101,624
Gillon Reserve Pavilion : Alex Gillon Reserve	Extended engagement	October 2021	98,692
Park Close to Home : Brunswick (West & Breese St)	Additional requirements from rail authority	June 2022	96,447
Partnership Grants Program : Various	COVID-19	TBA	90,882
Pedestrian and Bicycle Infrastructure : Various	COVID-19 & External approvals	March 2022	89,032
Plastic Wise Infrastructure - Accelerated Roll-Out	COVID-19	October 2021	78,461
Corporate Carbon Reduction Plan (CCRP)	COVID-19 & internal resourcing	December 2021	71,037
Playground Strategy - Douglas Reserve	Extended engagement & redesign	September 2021	60,000
Park Close to Home : Brunswick (Tinning St)	Extended engagement & redesign	April 2022	56,539
Harding St Bridge - Design Stage	COVID-19 & external approvals	March 2022	53,670
WSUD implementation	COVID-19 & external approvals	January 2022	53,449

Playground Shade Structure : Various	Internal resourcing	December 2021	50,000
Seniors Exercise Park - Various	COVID-19	February 2022	45,000
Councillor Device and Library PC Refresh	COVID-19	November 2021	39,086
Park Close to Home - Service Street, Coburg	COVID-19 & External Resourcing	June 2022	23,727
Park Asset Renewal - Various	Minor scope change	June 2022	4,040
		<b>Total</b>	<b>13,752,348</b>