



Moreland City Council

ANNUAL REPORT

2017-18





Welcome

Moreland City Council is committed to accountability and transparent reporting to the community. Our *Annual Report 2017-18* is the primary way we communicate to our community about our operations and performance for the financial year.

Our *Council Plan 2017-21* is the guiding document for this Annual Report. The Council Plan describes our strategic objectives in three focus areas and the key initiatives implemented to achieve them.

The Annual Report provides an update on the highlights and achievements originating from this plan and addresses the challenges experienced throughout the year.

If you would like to view the Council Plan, you can visit one of our Citizens Service Centres or contact us on **(03) 9240 1111**. You can also view the Council Plan at any of our libraries or at moreland.vic.gov.au.

We also welcome your feedback on this Annual Report. You can contact us on **(03) 9240 1111** or write to us at Locked Bag 10, Moreland, Victoria 3058.

Citizens Service Centres

Open from 8.30 am to 5 pm

Moreland Civic Centre

90 Bell Street
Coburg, Victoria 3058

Brunswick Citizens Service Centre

233 Sydney Road
Brunswick, Victoria 3056

Glenroy Citizens Service Centre

796N Pascoe Vale Road
Glenroy, Victoria 3046

Cover: Kelly and Sally enjoying Fawkner Food Bowl – a disused bowling green they've turned into an urban farm with help from Moreland City Council, Fawkner Bowling Club and The Neighbourhood Project. The space fosters a connected, sustainable, welcoming and healthy community.

Contents

Mayor's Message	4
Chief Executive Officer's Report	6
Description of our Municipality	8
Highlights of the year	12
STRATEGIC OBJECTIVE 1: Connected Community	14
STRATEGIC OBJECTIVE 2: Progressive City	16
STRATEGIC OBJECTIVE 3: Responsible Council	20
Challenges and future outlook	22
Financial Overview	24
Service Delivery	26
Awards and citations	26
Community satisfaction	26
Our Council.....	31
Our People	36
Corporate structure	38
Council staff	40
Inclusive employment	40
Workplace relations	40
Building our Leadership Capability	40
Learning and development e-Learning	41
Corporate Training Program	41
Occupational health, safety and risk	42
Occupational health and safety (OHS)	42
OHS training 2017-18	42
Injury management	43
Employee health and wellbeing	43
Risk management	43

Our Performance	44
Our Integrated Planning Framework	44
Planning and accountability – Council Plan	45
Performance Statement	46
Certification of the Performance Statement	59
Independent Auditor’s Report for the Performance Statement	60
Report of Operations	62
STRATEGIC OBJECTIVE 1: Connected Community	64
STRATEGIC OBJECTIVE 2: Progressive City	76
STRATEGIC OBJECTIVE 3: Responsible Council	92
Governance and Management	102
Council meetings	102
Major committees	102
Special committee	103
Governance and Management Checklist	105
Statutory Information	108
Development Contributions Plan (DCP) Reporting	115
Financial Report.....	122
A plain English guide to the Financial Report	124
Certification of the Financial Statements	127
Independent Auditor’s Report for the Financial Report	128
Financial Statements	130

Mayor's Message

Our team of 11 Councillors has been representing the people of Moreland since the 2016 local government elections. Together, we work hard to set the overall direction for Moreland City Council.

As Councillors we are required to make significant decisions to help shape the strategic direction of the council.

I was elected Mayor in October 2017 and I am proud to say that I, along with the rest of the Councillors, take these responsibilities very seriously. In the past twelve months we have helped Council achieve an enormous amount for this wonderful community. We also applaud the amazing work done by Council staff, local businesses, residents and community groups to make the past financial year such a successful one.

There are many highlights.

The \$5.5 million community centre in Pascoe Vale was completed in December. It co-locates a number of Council services under one roof into a state of the art facility. It is the new home for the Sussex Neighbourhood House, as well as the Pascoe Vale Maternal and Child Health Centre and kindergarten. It makes so much sense to house these together and with their proximity to the Pascoe Vale Outdoor Pool and Pascoe Vale Community Hall, a new community hub has been formed for residents, community groups and local services to use.

Coburg Children's Centre and Maternal and Child Health Centre now share a new home, within the old Pentridge Prison grounds. With an investment of \$6.5 million for construction, this is another fine example of the co-location of Council services.

Moreland's largest ever capital works project is well underway at the Oak Park Aquatic Centre and Sports Pavilion. The overall \$27.3 million project, with \$18.2 million spent in the 2017-18 financial year, has been funded entirely through rates, with no assistance provided by the State or Federal Governments. This outstanding facility will open in time for the 2018-19 season. The site will be home to a new heated 50m outdoor pool, an interactive water play pool and learner's pool, two new water slides, as well as a health club, which will feature a 24-hour gym and group fitness facilities.

The Oak Park redevelopment is part of Council's first Aquatic and Leisure Strategy which sets a course for our six aquatic facilities over the coming 20 years.

Our young people continue to be a focus for Council. The final two redevelopment phases of the Oxygen Youth Space in Gaffney Street, Coburg, were completed and the centre now has a multipurpose room, internal courtyard, kitchen and an office space. The project contributes to the overall wellbeing of the community and provides a safe and interactive space for young people to socialise, learn and access information and services, all under one roof.

We continue to improve facilities for women and girls in sport with the opening of new female-friendly change rooms at Raeburn Reserve in Pascoe Vale. This commitment is part of our broader policies of inclusivity and gender equity across the board.

Sustainability remains a key priority and some of our innovative schemes and projects are achieving great things. During 2017-18 the Council-funded Moreland Energy Foundation's Positive Charge team supported households, community groups, schools and businesses to install more than 1MW of solar panels across the municipality.

All Councillors are committed to engaging with the community and advocating on a wide range of important issues. I would like to highlight two that are close to my heart.

The 'Give Glenroy a Go' campaign is seeking to secure funding for the Wheatsheaf Hub, a centralised site for services from birth to old age. Glenroy's population is growing rapidly and Council believes the best way to deal with this is to locate important services in the one place. It's a \$24.5 million project and although Council is providing the land and a large part of the funding, we are advocating strongly to the State and Federal Governments to make a financial contribution.

Council is also playing an important advocacy role in trying to reduce the harmful effects of gambling. Earlier this year I committed to leading a new campaign called 'Councils Unite for Pokies Reform'.

Moreland has joined forces with a number of surrounding councils and the Alliance for Gambling Reform to place further pressure on key political parties in the lead-up to the state election.

Countless individuals and groups work towards enriching community life in Moreland. One way Council ensures they are recognised is through the Moreland Awards. There are nine categories which are open to any group or person whose activities have improved the quality of life in our municipality.

I could say I am constantly amazed at the work done by residents, staff and volunteers in the area, but the truth is, I'm not surprised. Having lived in Moreland most of my life, I know this community is full of engaged, caring and dedicated people. The sort of people who get things done to ensure our municipality is a great place to work, live and play now and into the future.



Councillor John Kavanagh
Mayor

Chief Executive Officer's Report

Serving as CEO of one of Melbourne's largest metropolitan councils is a great honour and the past twelve months have been particularly rewarding.

This annual report is testament to the dedicated and highly productive workforce of Moreland City Council who are responsible for implementing the decisions of our eleven passionate Councillors.

Council has maintained a strong financial position and operational performance during 2017-18.

Due to the careful planning and strong leadership of our staff and elected Councillors we have seen the largest investment of funds on facilities and infrastructure in Moreland's history. This is a mighty achievement given we were operating within the constraints of the State Government's cap on rate increases.

Our team has worked tirelessly and laid solid foundations to ensure we are able to fund key projects now and into the future. A good case in point is the fully funded 20-year Aquatic and Leisure Strategy.

Throughout the year we have met many of our budget commitments and strategic objectives as outlined in the Council Plan. Some projects are proceeding ahead of time, like the self-funded \$27.3 million Oak Park Sports and Aquatic Precinct redevelopment (with \$18.2 million being spent within the 2017-18 financial year).

Other significant achievements include:

- \$3 million invested in the new Oxygen Youth Facility and the community centre in Rogers Reserve, Pascoe Vale
- Playground upgrades – \$437,000
- The planting of 5000 trees as part of the Urban Forest Strategy
- Commencement of work on a number of streetscapes – \$2.97 million in renewal projects

We continue to listen and evolve to meet the changing needs and expectations of our community. We strive to ensure our community feels connected through a wide variety of projects and activities. The Moreland Awards continues to be a fantastic way for us to foster social cohesion and celebrate the many achievements of those living and working in our community.

As always, community feedback to key Council strategies and projects is a vital part of ensuring our Councillors make the best decisions for the area. To this end, public consultation has begun for the Draft Moreland Integrated Transport Strategy (MITS) which promises to set a new benchmark for the way local government deals with traffic congestions and car parking issues.

We have also seen the adoption of some new and exciting technology in the past twelve months. Last August our planning process went completely digital and work has begun on the Virtual Moreland Project, which will improve Council's decision-making process and put Moreland at the forefront of using virtual reality for planning and consultation.

Work on implementing the new IT strategy began in earnest and mobile devices have been given to 90 per cent of staff so far. Introducing more contemporary work practices will see a more efficient use of time and money.

I'm also particularly proud of our involvement in the Melbourne Renewable Energy Project which has begun building a 39-turbine windfarm at Crowlands, near Ararat. Moreland is part of a 14-member consortium investing in the groundbreaking development.

We also increased our cooperation with our neighbouring councils to get better financial deals when buying goods and services through the 2018 Northern Region Collaborative Procurement Program. It's yet another example of responsible council spending.

More than 1,100 staff work tirelessly for this fantastic community. They're up before dawn to collect our rubbish; running storytime sessions at our libraries; immunising our babies; pruning our trees, and delivering meals to our elderly. They are just some examples, but I want to thank all our staff for contributing to the many achievements we have made in the past year.



Dr Nerina Di Lorenzo
Chief Executive Officer

Description of our Municipality

The City of Moreland is located between 4 and 14 kilometres north of central Melbourne and covers the inner and mid-northern suburbs of Brunswick, Brunswick East, Brunswick West, Pascoe Vale, Pascoe Vale South, Coburg, Coburg North, Hadfield, Fawkner, Glenroy, Oak Park and Gowanbrae. Small sections of Fitzroy North and Tullamarine are also part of Moreland.

In June 2017, our estimated resident population was 176,589.¹ Between 2011 and 2036 it is predicted we will see unprecedented population growth. It is anticipated the municipality will grow by 48 per cent – from a population of 154,245 in 2011 to 228,425 in 2036. The majority of this growth will occur by 2026, and the greatest proportion of growth will occur in Brunswick and Brunswick East.

The City of Moreland is a highly culturally and linguistically diverse municipality, with residents speaking approximately 140 different languages at home. In 2016, 34 per cent of residents were born overseas. Of those residents, 87 per cent were born in non-English speaking countries and 13 per cent were born in English speaking countries. The main countries of birth of residents, apart from Australia, represent the traditional migrant groups from Europe, including Italy, Greece and the United Kingdom, along with India, Pakistan, New Zealand and China. Moreland's new arrivals now also include the countries of Syria, Nepal, the Philippines and Iraq.

For many years Moreland's businesses were largely industrial and were the municipality's largest employer. Now the businesses employing the largest number of people are those engaged in health care and social assistance with manufacturing falling into fourth place. The second largest employer is the retail trade while the third largest is education and training.

Location



The City of Moreland is located between 4 and 14 kilometres north of central Melbourne and covers the inner and mid-northern suburbs of Brunswick, Brunswick East, Brunswick West, Pascoe Vale, Pascoe Vale South, Coburg, Coburg North, Hadfield, Fawkner, Glenroy, Oak Park and Gowanbrae. Small sections of Fitzroy North and Tullamarine are also part of Moreland.

¹ Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0)

Population



Our population remained steady at around 136,000 between 1996 and 2001. Since 2001, it has increased by approximately 35,000 or 25 per cent. In June 2017, our estimated resident population was 176,589.²

Between 2011 and 2036 it is predicted we will see unprecedented population growth. It is anticipated the municipality will grow by 48 per cent – from a population of 154,245 in 2011 to 228,425 in 2036. The majority of this growth will occur by 2026, and the greatest proportion of growth will occur in Brunswick and Brunswick East.³

Births



We have seen a dramatic increase in births, with more than 2,000 babies born in Moreland each year since 2005. In this financial year, 2,785⁴ babies were born in Moreland.

Cultural diversity



Our city is culturally and linguistically diverse, with residents speaking more than 140 different languages at home.

In 2016, 34 per cent of residents were born overseas. Of those residents, 87 per cent were born in non-English speaking countries.

Apart from Australia, the main countries of birth of residents represent the traditional migrant groups from Europe, including Italy, Greece and the United Kingdom, along with India, Pakistan, New Zealand and China.⁵

New arrivals are changing our cultural diversity and are now more likely to be born in Pakistan, India, Syria, China, Nepal, the Philippines and Iraq.⁶

Age profile



Our median age is lower than the Greater Melbourne Area with a median age of 34 years, compared with 36 years for Melbourne.

Historically, Moreland has had a higher proportion of elderly residents than the Greater Melbourne Area. However, in 2016 the proportion of people aged over 65 years has fallen to 13.8 per cent, slightly lower than Greater Melbourne at 14.1 per cent. In contrast, Moreland has higher proportions of people aged 20 to 34 years (29.7 per cent compared with 23.7 per cent for Greater Melbourne).

There are smaller proportions of 5–14 year olds and 55–64 year olds relative to the Greater Melbourne Area. The number and proportion aged 35–54 years has increased substantially over the last decade and is now like the Greater Melbourne Area.⁷

² Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0)

³ Population projections for Moreland, ID Consulting 2017, forecast.id.com.au/moreland

⁴ Moreland Maternal and Child Health Database, 2017

⁵ 2016 Census of Population and Housing, Australian Bureau of Statistics

⁶ Department of Immigration and Border Protection Settlement Reporting

⁷ 2016 Census of Population and Housing, Australian Bureau of Statistics

Life expectancy



The life expectancy of our residents is similar to the Victorian average and is increasing. Women live longer than males by approximately five years. The life expectancy of females born in Moreland between 2008 and 2011 is 84.4 years, compared to 79.1 years for males.⁸

Education and occupation



The proportion of residents who have non-school qualifications has increased, with 47 per cent more residents in 2011 having completed a non-school qualification than in 2001.

The proportion of managers and professionals has increased from 19 per cent in 1996 to 29 per cent in 2011, while the proportion of technicians and trades workers, labourers and sales workers has decreased.⁹

Local business and employment



In 2016, health care and social assistance businesses employed the largest number of people in Moreland, with retail trade falling into second place, and education and training coming in third.¹⁰

Housing and families



In 2016, there were 67,167 private dwellings (including unoccupied dwellings), up from 63,302 in 2011.

The proportion of families with children decreased to 58.3 per cent of all family types in 2016, which is 5 per cent less than the Greater Melbourne Area.

The proportion of households comprised of couples without children has remained stable over the past three census periods, while the proportion of lone person households has increased. Moreland had 27 per cent lone person households in 2016, which is 4 per cent more than the Greater Melbourne Area. Moreland has a higher proportion of group households than Greater Melbourne (9 per cent compared with 5 per cent).¹¹

Housing stock

Fifty-six per cent of occupied private dwellings in Moreland are separate houses, which is significantly below the Greater Melbourne Area average of 68 per cent. This is due to the increase in flats, units, apartments and semidetached dwellings. We have a significantly higher proportion of these dwellings (43 per cent) compared with the Greater Melbourne Area (31 per cent).¹²



Residential property prices have risen at a relatively fast rate over the past decade, especially between 2007 and 2010, and then again in 2014 and 2015.

Following the rapid rise in house and unit prices, the median price for both houses and units fell in 2011 and 2012.

However, since 2012 house and unit prices have been steadily increasing. 2016 saw Moreland's highest recorded median house price achieved at \$767,750, while the median price for a unit increased to \$465,000 in 2016.¹³

⁸ Victorian Population Health survey, 2015

⁹ 2011 Census of Population and Housing, Australian Bureau of Statistics

¹⁰ 2011 Census of Population and Housing, Australian Bureau of Statistics

¹¹ 2016 Census of Population and Housing, Australian Bureau of Statistics

¹² 2016 Census of Population and Housing, Australian Bureau of Statistics

¹³ A Guide to Property Values, Department of Environment, Land, Water and Planning



Highlights of the year

A summary of our achievements has been divided into the **three** broad strategic objectives of the Moreland City Council Plan.





2017 Wurundjeri Games Day.

STRATEGIC OBJECTIVE 1:

Connected Community

Key Priorities

- 1 (KP 1) Achieve higher levels of social cohesion for our multicultural, established and newly arrived community, by fostering opportunities for shared learning and celebration
- 2 (KP 2) Set a clear vision and strategy for aquatics, leisure and sporting facilities to meet ongoing community needs
- 3 (KP 3) Determine the best way for Moreland to continue supporting our community throughout, and after Aged Care & NDIS reforms
- 4 (KP 4) Enhance family and children's services to meet the needs of Moreland's growing population and increasing birth rate
- 5 (KP 5) Better equip our young people for employment and provide opportunities to actively participate in civic life
- 6 (KP 6) Help people feel safer in our neighbourhoods

Oak Park Sports and Aquatic Centre taking shape.



Achievements

- Council continues to foster social cohesion and pride through the Moreland Awards. The awards thank and recognize the quiet achievers in Moreland, who give back to their community and inspire their peers. (KP 1)
- A memorial garden for victims of violence is opened in Coburg North's Brosnan Park. The garden offers a leafy setting for visitors to get some respite in a natural setting, and a plaque acknowledges the damage violence causes. (KP 1)
- Moreland supports Stepping Stones, a program run by the Brotherhood of St Lawrence to provide migrant and refugee women with the knowledge and skills they need to start a small business in Australia. (KP 1)
- Council adopts its first Aquatic and Leisure Strategy, which will see all six of Moreland's pools retained, maintained and upgraded. The strategy will see a \$179 million investment in the facilities across the next 20 years. (KP 2)
- Moreland's largest ever capital works project, the Oak Park Pool, takes another big step towards completion, with two new waterslides rising from the ground. \$18.2 million invested. (KP 2)
- Netball booms in Moreland following the opening of eight new courts at Charles Mutton Reserve in Fawkner and two at Cole Reserve in Pascoe Vale. (KP 2)
- Council seeks community views on its approach to the introduction of the NDIS in Moreland. (KP 3)
- Council plays host to the first live-streamed NDIS information session ahead of the national scheme being rolled out in Moreland in March 2018. (KP 3)
- Playground upgrades completed at Stevenson Reserve, Moomba Park, Kelvin Thomson Reserve, Fraser Reserve and Campbell Reserve. (KP 4)
- Completion of the final stages of the OXYGEN Youth Facility shows how Council is investing in young people through services and youth friendly spaces. (KP 5)
- Youth Resilience Survey successfully implemented. (KP 5)
- The Young Entrepreneurs of the North program returns to Moreland and Yarra, giving those aged 17-24 free hands-on training, workshops, one-on-one mentoring and support to help them take their idea and turn it into a successful and sustainable business. (KP 5)
- A review of the Domestic Animal Management Plan (DAMP) is adopted by Council. This guides animal management for the City. (KP 6)

STRATEGIC OBJECTIVE 2:

Progressive City

Key Priorities

1	(KP 1) Enhance liveability, affordability and sustainability by guiding growth, and excellence in urban design and development
2	(KP 2) Facilitate a demonstrable shift to more sustainable modes of transport that also targets a long-term reduction in car use
3	(KP 3) Support the local economy and trading environments to enhance economic activity and promote local jobs
4	(KP 4) Increase tree canopy cover, enhance existing open space and create at least two new parks, in areas with the lowest access to open space
5	(KP 5) Move to a proactive approach to managing construction impacts resulting from population growth in our city
6	(KP 6) Develop a clear and funded approach to achieve zero carbon emissions by 2040
7	(KP 7) Invest in the revitalisation of shopping and trading precincts
8	(KP 8) Strengthen and invest in the significant creative sector in Moreland and enhance its standing as a destination for the arts
9	(KP 9) Enhance the environmental outcomes of Council waste services and increase community awareness/participation in environmental initiatives to reduce waste to landfill

Achievements

- Council's planning process goes completely digital, with instant lodgement 24 hours a day, 7 days a week. (KP 1)
- A shadier and safer street emerges following the completion of extensive streetscape works on Dawson Street in Brunswick. Works include new trees, extended bike lanes, bicycle hoops, rain gardens, wider footpaths and an upgraded pedestrian crossing. (KP 1)
- Council wins Premier's Sustainability Awards, Government division for the Urban Heat Island Action Plan. (KP 1)
- Council shows its commitment to address affordable housing by resolving to endorse the establishment of a Moreland Land Trust, known as Moreland Affordable Housing Ltd (MAH). (KP 1)
- Work begins on the Virtual Moreland Project to improve Council's decision-making process and put Moreland at the forefront of using virtual reality for planning and consultation. (KP 1)
- Public consultation begins for the Draft Moreland Integrated Transport Strategy (MITS), to facilitate a shift to more sustainable modes of transport and also targets a long-term reduction in car use. (KP 2)
- Draft Parking Management Policy was adopted by Council for public comment. (KP 2)
- Council partners with Creative Victoria and RMIT to develop the Brunswick Design District and has been successful in supporting start-ups and entrepreneurs through the LaunchVic-funded Moreland Converger program. (KP 3)



Nic and Tina in their Brunswick restaurant, Ciao Mamma!



Achievements (continued)

- 5,000 trees planted and now being maintained as part of the Urban Forest Strategy. The aim is to create a municipality where healthy trees and vegetation are a core part of the urban environment. (KP 4)
- Council endorsed the draft Cooling the Upfield Corridor Action Plan for public consultation. (KP 4)
- The management of construction sites across the municipality is extensively reviewed. This review results in clearer management responsibilities and identification of processes and systems that need improvement. The implementation of these actions will see an increased management of construction sites across the municipality into the future. (KP 5)
- Ground is broken for an Australian-first as the Melbourne Renewable Energy Project gets underway building a new 80 mw wind farm in Crowlands, near Ararat. Council is one of many partners in the project, including the City of Melbourne, RMIT, University of Melbourne, Federation Square, City of Port Phillip, Yarra City Council, Bank Australia, Zoos Victoria, Citywide, National Australia Bank, Australia Post, Melbourne Convention Centre and NeXTCD. (KP 6)
- Moreland Energy Foundation Ltd (MEFL) presents a report to Council outlining current progress in the Zero Carbon Evolution Strategy (ZCE). Highlights include a pilot program for solar power for renters and apartments and a solar information session for the community at Coburg Court House. (KP 6)
- A number of projects are completed to comply with the Corporate Carbon Reduction Plan, including the upgrade of the Coburg Civic Centre thermal plant and Solar PV installations at Shirley Robertson Childcare and Barry Beckett Childcare Centre. (KP 6)
- Work begins on a number of Streetscape Renewal Projects including, Holmes – Nicholson Shopping Strip, the Glenroy Activity Centre, Sydney Road and Dawson Street. (KP 7)
- Moreland's annual public art program, MoreArt, takes over the areas surrounding the Upfield train line. (KP 8)
- Fawkner Festa brings the community together for a day of music, entertainment, dancing and food. (KP 8)
- The Coburg Night Market takes over Bridges Reserve in Coburg across four Friday nights in November and December. (KP 8)
- Movies in the Park show free family-friendly movies in parks in Fawkner and Pascoe Vale. (KP 8)
- The Brunswick Music Festival celebrates 30 years of music, offering a wide-ranging program across streets, spaces and venues in Brunswick. (KP 8)
- Council begins drafting the 2018-2022 Waste and Litter Strategy, and preparing for the residential Food Organics, Garden Organic (FOGO) trial. Planning for the Public Place Recycling trial also starts. All Moreland households also received information outlining rules for recycling, along with information to promote other programs such as the Compost Community (subsidised compost bin and worm farm sales and delivery) and the Moreland Energy Foundation Ltd (MEFL) Keep Cup project. (KP 9)

STRATEGIC OBJECTIVE 3:

Responsible Council

Key Priorities

1	(KP 1) Improve resident satisfaction to 90% with Council's performance in customer service
2	(KP 2) Reach the top 25% of all Councils for improved community satisfaction with Council's engagement practices
3	(KP 3) Maintain and match our infrastructure to community needs and population growth
4	(KP 4) Provide transparent and effective governance of Council's operations
5	(KP 5) Operate without seeking an exemption from the rate cap through efficient use of Council's skills and financial resources
6	(KP 6) Enable Council's workforce to be mobile and accessible, supported by smart and efficient technologies



Achievements

- Parking machines in key areas of Brunswick receive an update, allowing users to ditch loose change and use PayWave or pay-by-phone alternatives. (KP 1)
- Council's satisfaction score with customer service has increased to 88%, just two points below the 2020 target. (KP 1)
- The draft Customer Service Strategy report presented to Council. (KP 1)
- Construction of Community Engagement Framework began, which will guide and improve future engagement practice. (KP 2)
- Moreland's community satisfaction result with Community Engagement is now above the State and Metropolitan average for the first time, moving us closer to our 2020 target. (KP 2)
- Moreland's 2018-19 Budget was announced, with \$43.7 million allocated to building, renewing and upgrading roads, parks, community centres and reserves. (KP 3)
- Construction of the new \$5.5 million community centre at Pascoe Vale is completed, costing \$1.7 million within the 2017-18 financial year. (KP 3)
- Council adopts the concept plan for the Wheatsheaf Hub to create an integrated community hub in Glenroy with a focus on education, lifelong learning and health, combined with a district level open space. (KP 3)
- Council endorses a strategic plan to guide the future use and development of the Saxon Street Hub. (KP 3)
- A \$1-million refurbishment of Merlynston Hall was completed – restore it to its former glory so it can be used as a community centre. (KP 3)
- Council's submission to the Local Government Bill Exposure Draft is endorsed and the Meeting Procedure Local Law (MPLL) is reviewed. (KP 4)
- The 2018 Northern Region Collaborative Procurement Program established across the Northern Region. This sees Moreland City Council working with other regional councils to generate financial efficiencies, through collaboration and partnership opportunities. (KP 5)
- Council's new IT strategy is rolled out. Mobile devices have been given to 90% of staff so far. This will see a more efficient use of time and money while addressing need for business intelligence and sustainable integration. (KP 6)

Challenges and future outlook

Challenges

Growing population

It is predicted Moreland will see unprecedented population growth between 2011 and 2036, growing by 48 per cent – from a population of 154,245 in 2011 to 228,807 in 2036. The majority of the growth will occur by 2026 and the greatest proportion of growth will occur in Brunswick and Brunswick East.

Council continues to plan for the increased need for more services and greater pressure on infrastructure resulting from population growth.

Recycling

Like all Australian councils, Moreland is affected by China's decision to impose stricter contamination thresholds on the recyclables it receives for processing. Recycling now costs us \$60 a tonne to get processed. We used to receive \$50 a tonne. Despite this cost, Moreland's current recycling contract is continuing and a new Waste Strategy is being developed to dramatically reduce household waste in the coming decade. Council will continue to work with the State Government to explore new ways to pass on cost savings to ratepayers in order to minimise this burden.

Rate cap

The State Government-imposed rate cap continues to create financial pressure on Council with any rate increase capped at 2.25 per cent for the next 12 months. Despite this constraint, we are determined to work within this cap while maintaining and enhancing Council services.

Funding for the Wheatsheaf Community Hub

The Wheatsheaf Community Hub is Council's top advocacy priority for Glenroy's growing, diverse community. The population in the area is growing rapidly and better community facilities are desperately needed. Council wants to build a new community hub that will house a new library, long day care, medical facilities and open space.

While Council is providing the land and a large proportion of the money needed to construct the \$24.5 million hub, more funding is needed. Council is seeking \$6 million in funding commitments from each of the State and Federal Governments.

Yorkshire Textile Mills, Brunswick East.



NDIS

The National Disability Insurance Scheme began in Moreland in March 2018. Council has been supporting the community throughout the transition process. Across the country the roll-out has faced some difficulties and Council must ensure it continues to help the people of Moreland as they adjust to life under the new scheme.

Reducing the harm of gambling

The harmful effects of gambling are a major challenge for Council and the community as a whole. We are at the coalface, dealing with the financial and emotional harm that problem gambling creates. We will continue to push for meaningful gambling reform.

Maintaining and increasing open space

With a growing population and an increase in dwelling numbers, it is vital that Council maintains and creates open space.

This is particularly challenging as we are an inner-metropolitan council with so much of our land area already developed. Council has taken on this significant challenge by collecting funds and completing work on a framework for the proactive purchase of land for new parks. Council is now beginning to implement this framework.

Planning

There is a disconnect between what Council is seeking in terms of good planning policy and what the State Government is implementing across Victoria. This has created uncertainty for Moreland. Council continues to work for the best possible planning outcomes for its community and advocating for genuine reform.

Change the date

In 2017 Council made the decision to continue conducting citizenship ceremonies on 26 January, but not to acknowledge the day. The controversial decision will continue to be managed with care.



Financial Overview

The 'Financial Report' section in this report includes the comprehensive financial statements prepared in accordance with relevant accounting standards and legislative requirements.

These statements are detailed and, as such, some stakeholders and community members may find them difficult to interpret. This overview aims to simplify the key information regarding our financial performance for the year.

Strategic Resource Plan

Council is guided by the principles of the Strategic Resource Plan for the period 2017–18 to 2021–22. This plan is not intended to be static and is reviewed annually as part of our planning process and updated to reflect changing circumstances.

The aim of the Strategic Resource Plan is to ensure that we can undertake our strategic and governance role and to maintain and repair our infrastructure assets at the level expected by the community, while continuing to deliver essential services.

Operating income – where did the money come from?

Total income for the year was \$240 million. There was an overall increase in income of \$34.5 million (or 16.8 per cent) compared to that of 2016–17, largely due to \$25.4 million in gifted assets. Council's major source of income, rates and charges, generated \$141.4 million (or 58.9 per cent of total income).

Other major sources of income other than rates and charges, includes government grants of \$21.6 million (or 9.0 per cent of total income) and user fees and statutory fees and fines of \$19.4 million (or 8.1 per cent of total income).

Operating expenses – how was the money spent?

Total operating expenses for the year were \$176.4 million. The majority of total expense consists of employee costs being \$81.3 million and material and services of \$58.4 million (or 79.1 per cent of total expenses).

We are reporting an accounting surplus of \$63.4 million for the financial year. It is, however, important to note that this accounting profit includes items that are either one-off or committed for capital expenditure in future years.

Operating expenditure profile for 2017-18

Operating Category	Percentage
Capital Works	18.1%
Administration	17.2%
Asset Depreciation	10.3%
Aged, Disability & Social Services	7.8%
Local Laws & Regulations	5.8%
Parks & Street Trees	5.5%
Waste Collection & Recycling	5.5%
Planning & Economic Development	4.0%
Arts, Culture & Libraries	3.4%
Systems & Communications	3.1%
Transport	3.0%
Roads & Footpaths	2.7%
Customer Service	2.2%
Health & Immunisation	.1%
Asset Maintenance	1.9%
Street Cleansing	1.8%
Youth and Children's Services	1.5%
Governance	1.5%
Recreation & Leisure	1.4%
Asset Management	0.7%
Property Services	0.5%
Total	100.0%

Capital expenses

Total completed capital expenditure for the year was \$47.945 million, with another \$8.853 million in works in progress.

We continue to address our capital works program across a wide range of projects, with the total completed capital work spend being \$27.221 million above the depreciation for the year.

The top 20 major capital works by asset class delivered in 2017-18 include:

Asset Class	Amount
Aquatic and leisure centres	\$19,456,019
Roads and carparks	\$8,624,261
Community use facilities	\$4,730,245
Parks and reserves	\$4,725,979
Pavilion and sports clubs	\$2,637,307
Council fleet	\$2,070,212
Footpaths and bike paths	\$1,956,669
Transport management	\$1,872,320
Information technology	\$1,483,446
Central Glenroy	\$1,456,239
Coburg 2020	\$1,319,941
Library collection	\$1,033,753
Public toilets	\$865,278
Drainage	\$785,672
Land assets	\$691,454
Climate change	\$466,943
Business centre renewals	\$455,938
Buildings	\$393,918
Furniture and fittings	\$335,461
Brunswick structure plan	\$297,866
Other asset classes	\$1,139,156

Service Delivery

We are responsible for a wide range of services from waste management, delivering meals and supporting people in their homes.

Council also oversees the planning permit process, animal registration and street cleaning.

These services and infrastructure support the wellbeing and prosperity of our community. For more information on our achievements to improve infrastructure and increase delivery of these services, and on the challenges we faced, refer to the 'Our Performance' section in this report.

Awards and citations

- **Barrett Reid Scholarship 2017**

Library Board of Victoria –
Children's and Youth Services Librarian

- **2017 Premier's Sustainability Award**

Winner – Government Category –
Addressing Urban Heat in a Warming
Climate – *Moreland Urban Heat Island
Effect Action Plan*

- **Parks and Leisure Australia**

Winner VIC/TAS Strategic Planning –
*Award for the Allocation and Use
of Sporting Facilities Policy*

Community satisfaction

We are committed to building and maintaining a vibrant and liveable city.

Every year we participate in a survey of local government services which aims to provide data so individual councils can track the views of their residents over time. Twenty-two Council services were surveyed in 2018.

The satisfaction score for our overall performance was 90 per cent, which was up from 84 per cent in 2017. We scored above 90 per cent for recreational facilities, arts centres and libraries, and arts and cultural activities. Moreland also scored well (above 85 per cent) in the areas of family support services, elderly support services, waste services, environmental sustainability, and business and community development.

Our lowest scores were for parking facilities and traffic management with each achieving 72 per cent satisfaction, planning for population growth in the area at 69 per cent and general town planning policy also at 71 per cent.

Results from Council's biannual Community Indicators Survey 2016 show continuing high levels of perceived community wellbeing, with the vast majority – 93 per cent – of our residents considering their local area a good place to live.

As in previous years, a very high 91 per cent agreed that Moreland is a good place to raise a family. Eighty-five per cent agreed that they can access a variety of recreation facilities and leisure activities, while 87 per cent of respondents agreed with the statement 'You can get to know your neighbours'.

Ninety-two per cent of residents agreed with the statement 'Cultural diversity enriches local community life' and 90 per cent believed that people from different ethnic backgrounds are made welcome in their neighbourhoods.

However, less than half of our residents agreed that Moreland is an affordable place to live, dropping from 50 per cent in 2014 to 45 per cent in 2016.



The below provides the quantities of a selection of **key services** we provide to our residents.



1,533

Planning permit applications received

(as reported in the state-wide planning permit activity report)



87,686

Number of meals delivered



6,977

Active Moreland members



678,995

Visitors to our libraries

58,606

Number of visits to outdoor aquatic facilities



1,132,135

Library loans



151,484

Attendance at Active Moreland water safety and learn-to-swim programs



18,054

Kids at Storytime, rhyme time and toddler time



938,375

Total attendance at Active Moreland facilities



40,160

Kilometres of streets swept



5,642

Trees planted

30,393

Tonnes of garbage collected

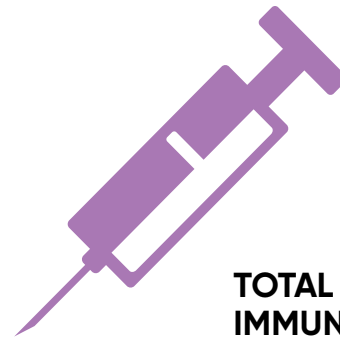


15,215

Tonnes of recycling collected

8,837

Tonnes of green waste collected



TOTAL NUMBER OF
IMMUNISATIONS



3,792

Under 5s



2,770

Tonnes of hard waste collected



5,714

High School Students

14,791

Dogs and cats registered



555

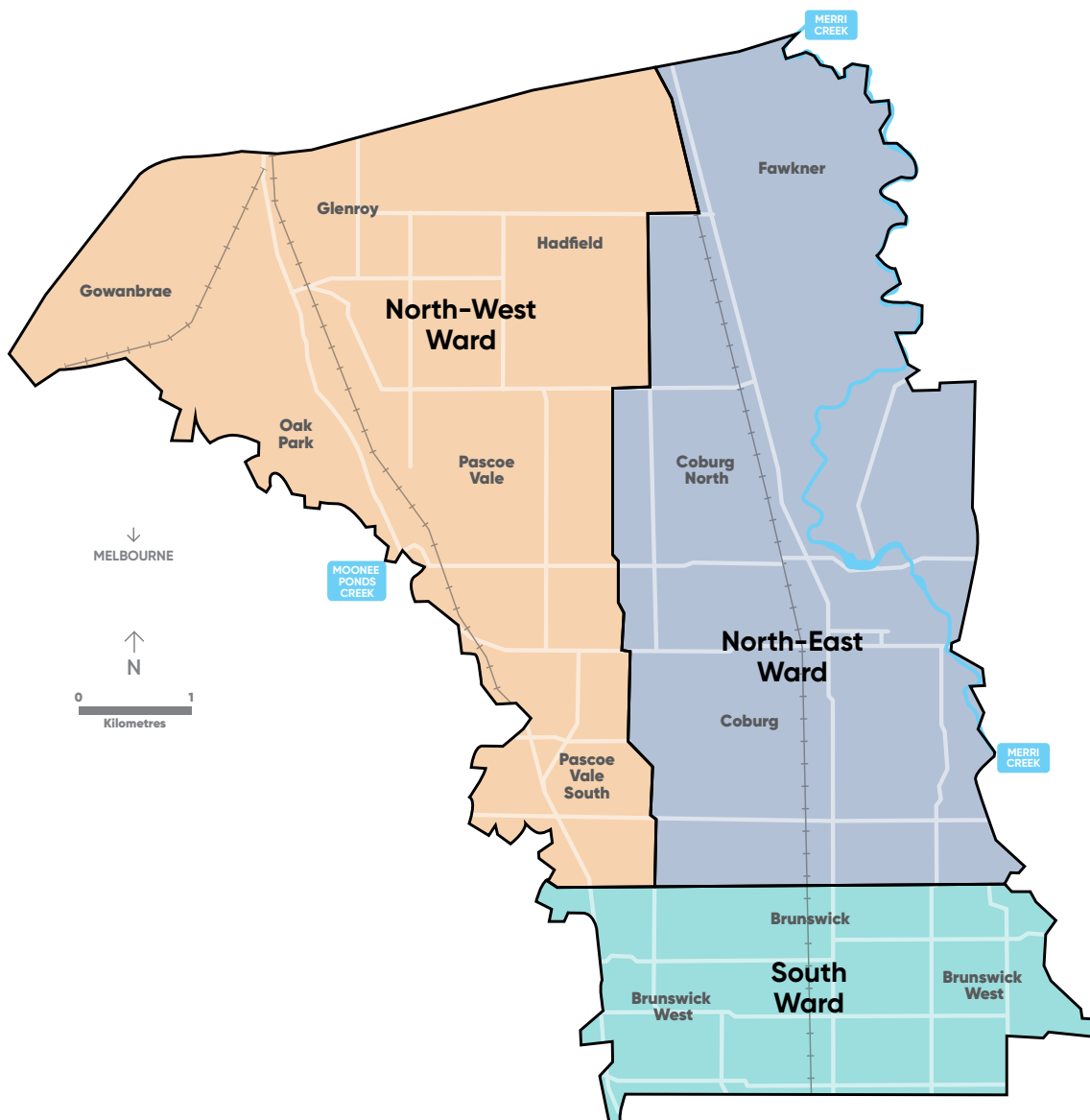
Adults



Our Council

On 22 October 2016, our community elected 11 Councillors to represent them. These Councillors are elected from three wards across our municipality: North-West Ward, North-East Ward and South Ward.

In October 2017, Councillor Samantha Ratnam resigned her position as a Councillor. The Victorian Electoral Commission conducted a countback and, having been declared elected, Councillor Jess Dorney was sworn in on 6 December 2017.



Councillors

Our Councillors are elected by Moreland residents every four years to represent all residents and ratepayers across the city. They provide an important link between the community and Council. The next election is in 2020.

Councillors elect the Mayor and a Deputy Mayor annually. In addition to representing the interests of their wards, some Councillors have responsibility for particular issues and are members of our advisory committees and some external bodies.



North-West Ward

**Councillor
Helen Davidson**

**Councillor
John Kavanagh**

**Councillor
Dale Martin**

**Councillor
Oscar Yildiz JP**



North-East Ward

**Councillor
Natalie Abboud**

**Councillor
Sue Bolton**

**Councillor
Annalivia Carli Hannan**

**Councillor
Ali Irfanli**



South Ward

**Councillor
Jess Dorney** (from
December 2017)

**Councillor
Samantha Ratnam**
(Until October 2017)

**Councillor
Mark Riley**

**Councillor
Lambros Tapinos**

Current Councillors and responsibilities are:

Mayor, Cr John Kavanagh

Elected to Council in 2004, 2008, 2012 and 2016 and elected Mayor in 2011 and 2017

Member of the Urban Planning Committee, Audit and Risk Management Committee, CEO Selection Review Panel, Communications Task Group, Glenroy Advisory Group, Moreland Community Recognition Committee Councillor Responsible for Children.

M 0427 550 935

E jkavanagh@moreland.org.au

Deputy Mayor Cr Natalie Abboud

Elected to Council in 2016, and elected Deputy Mayor in 2017

Member of the Urban Planning Committee, Audit and Risk Management Committee, CEO Selection Review Panel, Coburg Advisory Group, Human Rights and Inclusion Committee, MetroAccess – Disability Advisory Committee, Reconciliation Advisory Committee, Fawkner Service Providers Network, Moreland Family Violence Prevention Network, CERES Committee of Management, Merri Creek Management Committee, Councillor Responsible for Community Facilities, Social Diversity, Multiculturalism and Reconciliation, Status of Women, and Youth.

M 0499 807 166

E nabboud@moreland.org.au

Cr Helen Davidson

Elected to Council in 2012, 2016, and elected Mayor in 2016

Member of the Urban Planning Committee, CEO Selection Review Panel, Glenroy Advisory Group, Moreland Community Recognition Committee.

Councillor Responsible for Status of Women.

M 0403 709 948

E hdavidson@moreland.org.au

Cr Sue Bolton

Elected to Council in 2012, and 2016

Member of the Urban Planning Committee, CEO Selection Review Panel, Coburg Advisory Group, Moreland Housing Advisory Committee, Reconciliation Advisory Committee, Fawkner Service Providers Network.

Councillor Responsible for Accessible and Affordable Housing.

M 0417 583 664

E sbolton@moreland.org.au

Cr Annalivia Carli Hannan

Elected to Council in 2016

Member of the Urban Planning Committee, Audit and Risk Management Committee, CEO Selection Review Panel, Coburg Advisory Group, Friends of Aileu Community Committee, Family and Children Services Advisory Committee, Youth Facility and Services Steering Committee, Moreland Family Violence Prevention Network, Victorian Local Governance Association.

Councillor Responsible for Aged Services, Children, and Youth.

M 0499 807 095

E acarlihannan@moreland.org.au

Cr Ali Irfanli

Elected to Council in 2016

Member of the Urban Planning Committee, CEO Selection Review Panel, Coburg Advisory Group, Moreland Community Recognition Committee, Moreland Transport Advisory Committee, Urban Environment Committee, Sporting Club Forum.

Councillor Responsible for Recreation and Leisure, Transport and Infrastructure, and Economic Development.

M 0477 363 623

E airfanli@moreland.org.au

Cr Dale Martin

Elected to Council in 2016

Chair of the Urban Planning Committee, CEO Selection Review Panel, Glenroy Advisory Group, Sustainable Moreland Advisory Group, Urban Environment Committee, Metropolitan Local Governments' Waste Forum, Moonee Ponds Creek Co-ordinating Committee, Moreland Energy Foundation Ltd, Northern Alliance for Greenhouse Action, Councillor Responsible for Urban Planning and Economic Development.

M 0499 807 075

E dmartin@moreland.org.au

Cr Oscar Yildiz

Elected to Council in 2008, 2012, and 2016, and elected Mayor in 2010, 2012 and 2014

Member of the Urban Planning Committee, CEO Selection Review Panel, Glenroy Advisory Group, Sporting Club Forum, Municipal Association of Victoria.

Councillor Responsible for Recreation and Leisure.

M 0413 850 357

E oyildiz@moreland.org.au

Cr Mark Riley

Elected to Council in 2016

Member of the Urban Planning Committee, CEO Selection Review Panel, Brunswick Advisory Group, Moreland Housing Advisory Committee, Moreland Arts Board, Moreland Transport Advisory Committee, Urban Environment Committee, Moreland Family Violence Prevention Network, Metropolitan Transport Forum, Municipal Association of Victoria, Performing Arts Moreland.

Councillor Responsible for Accessible and Affordable Housing, Transport and Infrastructure, and Arts and Culture.

M 0499 807 044

E mriley@moreland.org.au

Cr Lambros Tapinos

Elected to Council in 2008, 2012 and 2016 and elected Mayor in 2008, and 2013

Member of the Urban Planning Committee, CEO Selection Review Panel, Brunswick Advisory Group, Moreland Libraries Advisory Committee.

Councillor Responsible for Community Facilities.

M 0433 419 075

E ltapinos@moreland.org.au

Cr Jess Dorney

Elected to Council in 2017

Member of the Urban Planning Committee, CEO Selection Review Panel, Brunswick Advisory Group.

Councillor Responsible for Sustainability, Climate Change and Water.

M 0419 560 055

E jdorney@moreland.org.au



Our People

Chief Executive Officer

Dr Nerina Di Lorenzo

Dr Nerina Di Lorenzo commenced as our Chief Executive Officer at the end of January 2015.

Nerina is a highly qualified local government executive, holding a Bachelor of Engineering, a Bachelor of Business Administration and a PhD (Barriers and enablers to implementing change in Victorian local government organisations). Her prior roles include Director of Infrastructure at Wyndham City Council and Director of City Infrastructure at Moreland City Council, and she has held a range of senior management roles in engineering and business improvement. Prior to joining local government, Nerina was an offshore oil rig engineer.

Nerina grew up and was educated in Moreland.

Director Social Development

Arden Joseph

Arden Joseph commenced as Director Social Development in July 2015.

Arden holds a Bachelor of Business (Public Administration, Sociology) and has completed the Australian Institute of Company Directors course. His prior executive-level experience is in local government and state government. His previous local government director role was at Maribyrnong City Council as Director of Community Wellbeing and before this he held state government directorships at the departments of Planning and Community Development, Sport and Recreation, Education and Training (Victorian Qualifications Authority) and Employment. He has also served on several government boards and committees and also on community sector boards in a voluntary capacity.

Director Planning and Economic Development

Kirsten Coster

Kirsten Coster was appointed to the role of Director Economic Development in August 2009, returning to local government after serving as a company director in the private sector for three years (with a national town planning and economic development services consultancy). Kirsten's portfolio expanded to include Council's town planning functions in 2012 and further in 2014 by adding Environmental Health and Building under the title of Director Planning and Economic Development.

Kirsten has a strong background in economic development, land-use strategies and major projects, having worked in these fields in both the private and public sectors for more than 20 years. Responsible for a comprehensive urban-renewal program, Kirsten also recognises the valuable contribution that commerce and industry provides in any local community to help create its sense of vibrancy and prosperity.

Executive Manager Organisation Development

Anita Craven

Anita Craven commenced as Executive Manager Organisation Development in December 2015.

Anita is a qualified local government executive, holding a Masters of Business Administration (Strategy and Planning). Her prior roles include Manager of Council Planning and Performance at Moreland City Council and Manager of Asset Strategy at Darebin City Council. She has also held a range of senior management roles in Organisation Development and Business Improvement. Prior to joining local government, Anita worked in small private business and retail.

Director Corporate Services

James Scott

James commenced as Director Corporate Services at Moreland City Council in 2002. James is responsible for Customer Service, Communications, Finance, Governance, Property and Information Technology.

He is a Chartered Accountant and worked for commercial organisations in the airline and financial consulting sectors for 12 years before joining Council.

Acting Director Corporate Services

Liz Rowland

Liz commenced as the Acting Director Corporate Services in April 2018 and is responsible for Customer Service, Communications, Finance, Governance, Property and Information Technology. Liz holds a Bachelor of Commerce (Professional Accounting) and a Bachelor of Arts (Psychology) and is a Certified Practicing Accountant. Prior to joining Moreland City Council in 2016, Liz worked for a state government agency and in the telecommunications industry.

Director City Infrastructure

Grant Thorne

Grant Thorne commenced as Director City Infrastructure in February 2014. Grant has approximately 25 years of local government experience across rural, growth and metropolitan councils and holds a Bachelor of Engineering and a Graduate Diploma of Management. Grant has gained experience across five local governments in his career, progressing from a graduate engineer to senior management roles.

Corporate structure





Council staff

Department	Number of staff
Chief Executive Officer Group	3
City Infrastructure	328
Corporate Services	140
Organisation Development	33
Planning and Economic Development	110
Social Development	506
Total	1,120
Full time	550
Part time	446
Casual	124
Male	417
Female	703

Inclusive employment

Flexibility in the workforce has been enhanced and supported with the introduction of mobile device technology. This new capability enables our organisation to be more responsive to the evolution of a changing work environment. Moreland City Council continues to adapt to enable our workforce to serve the community in a variety of ways and balance personal, educational and caring responsibilities.

Our *2017-21 Council Plan* identifies the need to maintain a Connected Community. Key priority number five is to better equip our young people for employment and to provide them with opportunities to actively participate in civic life, and this year Youth Services and Economic Development have partnered with Human Resources to scope an employment pathway for young people.

Work experience for secondary and tertiary students continued across a broad range of services including Youth, Procurement, IT, Economic Development, Roads, Social Support and Open Space and our traineeships were taken up in City Infrastructure, Social Development and Corporate Services.

This year our Indigenous Traineeship offered a formal Business Administration Certificate and practical work experience. A new approach to create a more inclusive employment program is also underway and Social Policy partnered with TransGender Victoria who delivered sessions to equip our organisation with skills on how to create safe and welcoming processes and environments.

Workplace relations

Council is currently negotiating for the renewal of the Enterprise Agreement which expired on 30 June 2018. Negotiations have been progressing well with representatives from the Australian Services Union, Australian Nursing and Midwifery Federation and Professional Australia working with representatives of Council to determine future working conditions for Council staff.

Building our Leadership Capability

In 2017-18, our focus on leadership development and culture continued with people leaders and teams.

Moreland Council is committed to attracting, developing and motivating talent to drive a culture that delivers high performance. Key initiatives during the 2017/18 financial year include:

- Investment in senior manager and executive assessment to understand organisational leadership strengths driving performance
- Implementation of an organisation-wide culture survey which resulted in a shift towards a more constructive culture
- Implementation of targeted performance and development programs for people leaders across the organisation as well as the design of a high potential talent program
- Purchase of a new competency framework to support with the embedding of clear performance expectations for the different levels of our organisation
- Investment in a new Human Resource Information System technology to track performance, talent, capability and deliver leadership data and insights
- Delivery of a qualitative feedback development program for leaders to identify their areas of strength and development.

Leaders across the organisation participated in a number of development opportunities covering the following topics:

- Leadership. Programs such as adaptive leadership styles, Moreland specific responsibilities, creating high performing teams, enhancing conversations, maintaining relationships.
- Recruitment and on-boarding
- Legislative requirements including Fair Process and Industrial Relations responsibilities
- Participation in Cross Council Management programs enhancing inter-council relationships for current and upcoming leaders.

Managers were also supported with additional coaching, mentoring and tailored team enhancement programs to facilitate improved leadership across Council.

Learning and development e-Learning

We continue to expand e-Learning resources to meet the changing needs of Council's workforce and compliance requirements including providing online training to support the Child Safe Standards, cyber security and fraud awareness.

Corporate Training Program

We are committed to investing in our employees through development and training opportunities and recognise that building our internal capacity contributes to improving the performance of the organisation.

2018		
Category	Courses run	Attendees (instances)
Occupational Health and Safety	50	712
Leadership and Management	17	222
Business and Workplace Effectiveness (including diversity and social awareness)	32	307
Lifestyle, Wellbeing and Self Development	6	45
Compliance (face-to-face)	15	246
Compliance (online)	10	606
Systems training	58	296
Total	188	2,434

Occupational health, safety and risk

Occupational health and safety (OHS)

Moreland City Council is committed to providing a healthy and safe environment for all employees, contractors, visitors and members of the public.

We have developed and implemented a safety management system and programs. These actively promote and improve the health, safety and wellbeing of all employees and, so far as is reasonably practicable, prevent workplace injuries and illnesses.

We share health and safety information and consult with employees and other stakeholders about how to ensure we have a safe workplace. This approach ensures that all our employees, contractors and visitors understand their duties and cooperate with Council in its actions around workplace and community safety.

We are committed to continually improving our safety management system, programs and initiatives. This contributes to the positive safety culture and puts us in a good position to expand and develop our most valuable resource; Moreland Council employees.

OHS training 2017-8

Actions undertaken during this year include:

- Conducting SafetyMAP Recertification Audits in; Waste Services, Street Cleansing Unit, Fleet Maintenance, Building Maintenance, Amenity and Compliance and Engineering Services
- OHS, Risk and Injury Management Training for Managers, Supervisors and Coordinators
- Audiometric testing for applicable employees
- Developing an online incident reporting system
- Developing an online enterprise risk management system.

2018		
Course	Courses run	Attendees (instances)
Asbestos Awareness Training	1	12
Contract Management Training	2	15
CPR Training	6	94
Emergency Fire Warden Training	4	50
Finding Wellness with Positive Psychology	2	12
First Aid Refresher	5	66
Fraud and Risk Awareness	1	11
HSR Refresher Training	1	9
JSA Risk Assessment/ Incident Reporting and Investigations	2	23
Manual Handling	3	28
Manual Handling Awareness Refresher Open Space	1	19
Manual Handling Home Support	1	23
Noise Awareness	1	9
Occupational Violence Prevention Training	3	25
OHS, Risk and Injury Management Training	2	18
Safe Work at Heights	1	4
Sun Smart Education Sessions	10	163
Traffic Management and Traffic Control	1	11
Total	47	592

Injury management

Council takes the safety, health and wellbeing of our employees seriously.

Where an employee is injured at work, their claim is actively managed to ensure, as far as is practicable, an early, safe and sustainable return to work.

There were 457 incidents reported during this year. The incidents represented 182 injuries, 153 near misses, 53 motor vehicle incidents, 37 plant and equipment incidents and 32 hazards.

We continue to provide a range of programs and targeted interventions to prevent injuries. Ongoing initiatives include the Early Intervention Program, Manual Handling Task Specific training, ergonomic assessments, a targeted Health and Wellbeing Program, an active Occupational Violence Committee, as well as unit-specific risk targeted training.

Injury management results	
Incidents reported (including injuries)	457
Injuries reported	182
Claims	12
Average claim cost	\$50,033
Days lost	529
Employees returned to work*	9
Staff who did not return to work*	3

* For return to work information, only time lost claims have been included.

Employee health and wellbeing

Our Health and Wellbeing Program is designed to support employees to manage their own health and wellbeing through ongoing education programs and initiatives.

During the year, employees participated in hearing tests, and a range of physical activity sessions at Coburg Leisure Centre. We also delivered lunchtime seminars covering topics such as nutrition, resilience, stress and breast health sessions.

Risk management

Risk management knowledge and practice within Council continues to develop. Council undertook a review of its operational and strategic risk registers to ensure alignment to the Council Plan, including a review of controls and treatment plans.

An Insurable Risk Profiling and Insurable Gap Analysis was undertaken in 2017 to identify any exposures and ensure that they are adequately managed. Global emerging risks such as cyber-attack and climate change form part of Council's strategic risk register and management program.

Council renewed its fleet of insurance policies ensuring that best value is being achieved. Council continues to get competitive pricing for its insurance program and with focus on continuous improvement in its risk management culture. As part of Council's insurance program, annual property risk assessments are undertaken to identify and mitigate against potential loss exposures.

Council undertook its annual exercising of its Business Continuity Plan to ensure that business operations remain resilient and robust against the threat of business interruptions.

Council is embarking on further embedding enterprise risk management throughout its operations and key decision-making processes. We are also streamlining the framework and principles that already exist, delivering improved risk management tools across our divisions.

Risk management that is transparent and inclusive with business planning, project management and procurement will continue to strengthen our approach to managing and mitigating risk.

Our Performance

Our Integrated Planning Framework

Our planning framework shows the relationship between Moreland City Council’s vision, strategies, plans, budgets and programs that drive our service delivery, projects and resource allocation.



Planning and accountability – Council Plan

The *Moreland Council Plan 2017-21* (the plan) sets the strategic direction for the corresponding four-year council term. It was informed by extensive consultation with the community, councillors and staff between January and April 2017. The plan was also guided by the Moreland 2025 Community Vision and other existing strategies, research, internal and external policies and plans.

The plan is framed around an overarching vision and three strategic objectives.

Vision

Moreland will be known for its proud diversity and for being a connected, progressive and sustainable city in which to live, work and play.

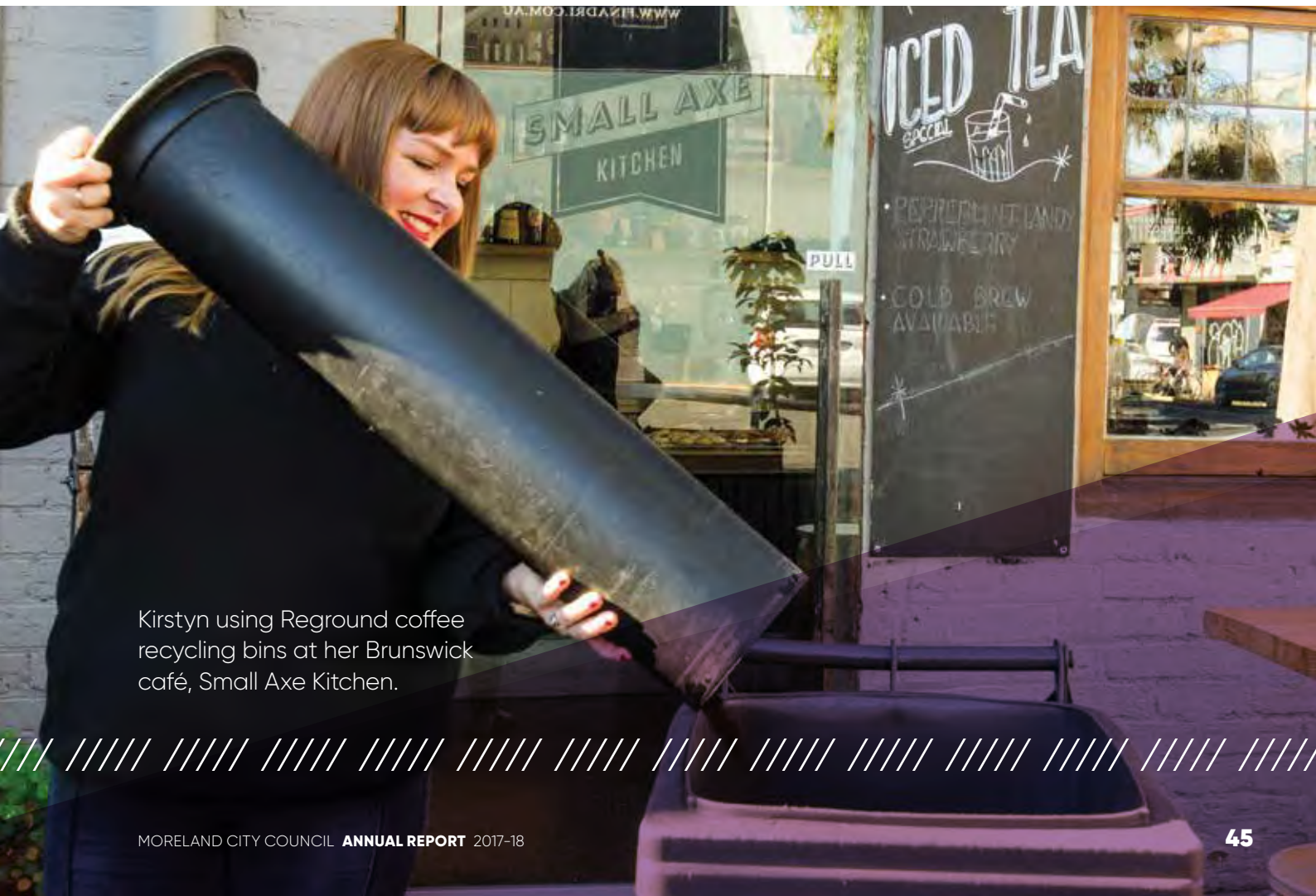
Strategic objectives

1. CONNECTED COMMUNITY
2. PROGRESSIVE CITY
3. RESPONSIBLE COUNCIL

These strategic objectives provide guidance and focus for Council and are supported by aligned key priorities, which inform the specific actions that council will take, for the benefit of the Moreland community.

Council also produces a *Strategic Resource Plan*, which spans beyond the life of the Council Plan and outlines the resourcing for implementation, including Council's Capital Works Program.

Each year a *Council Action Plan* is developed with reference to the four-year *Council Plan* and *Strategic Resource Plan*.



Kirstyn using Reground coffee recycling bins at her Brunswick café, Small Axe Kitchen.

VISION

Moreland will be known for its proud diversity and for being a connected, progressive and sustainable city in which to live, work and play

VALUES

Customers and Community First • Respect • Personal Accountability • Integrity • One Team

Our role in creating change

Strategic Objectives

Key Priorities

Delivering services directly for our community	Partnering with businesses and community organisations	Advocating for Moreland's needs	Building the city for existing and future needs	Fostering community cohesion and active participation in civic life	Leading new ways of doing things
1. Connected Community		3. Responsible Council			
<ol style="list-style-type: none">1. Achieve higher levels of social cohesion for our multicultural, established and newly arrived community, by fostering opportunities for shared learning and celebration2. Set a clear vision and strategy for aquatics, leisure and sporting facilities to meet ongoing community needs3. Determine the best way for Moreland to continue supporting our community throughout, and after Aged Care & NDIS reforms4. Enhance family and children's services to meet the needs of Moreland's growing population and increasing birth rate5. Better equip our young people for employment and provide opportunities to actively participate in civic life6. Help people feel safer in our neighbourhoods		<ol style="list-style-type: none">1. Enhance liveability, affordability and sustainability by guiding growth, and excellence in urban design and development2. Facilitate a demonstrable shift to more sustainable modes of transport that also targets a long-term reduction in car use3. Support the local economy and trading environments to enhance economic activity and promote local jobs4. Increase tree canopy cover, enhance existing open space and create at least two new parks, in areas with the lowest access to open space5. Move to a proactive approach to managing construction impacts resulting from population growth in our city6. Develop a clear and funded approach to achieve zero carbon emissions by 20407. Invest in the revitalisation of shopping and trading precincts8. Strengthen and invest in the significant creative sector in Moreland and enhance its standing as a destination for the arts9. Enhance the environmental outcomes of Council waste services and increase community awareness/participation in environmental initiatives to reduce waste to landfill			
<ol style="list-style-type: none">1. Improve resident satisfaction to 90% with Council's performance in customer service2. Reach the top 25% of all Councils for improved community satisfaction with Council's engagement practices3. Maintain and match our infrastructure to community needs and population growth4. Provide transparent and effective governance of Council's operations5. Operate without seeking an exemption from the rate cap through efficient use of Council's skills and financial resources6. Enable Council's workforce to be mobile and accessible, supported by smart and efficient technologies					



Niro, successful graduate of the Stepping Stones Small Business Program and owner of the local catering company 'Tuka Tuka KothuRoti Man'.

Performance Statement

Moreland City Council 2017-18

Service / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
Sustainable Capacity Indicators					
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$915.47	\$1,022.52	\$946.90	\$1,000.12	Council has maintained a consistent result despite the increase in the municipality's population.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$3,908.84	\$4,003.27	\$3,931.99	\$3,974.14	Investment in capital infrastructure has increased over the last four years, resulting in a steady result due to the increase in population of the municipality.
Population density per length of road [Municipal population / Kilometres of local roads]	255.49	265.98	271.68	281.19	Council has observed an increase in infill growth over each of the last four years within the municipality.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$904.42	\$927.73	\$934.38	\$989.11	Council has been able to achieve an increase of own source income, reducing the reliance of rates to fund Council's activities.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$121.53	\$88.94	\$127.38	\$119.76	Our main source of recurrent funds was frozen in 2016, but in 2017 we had an increase due to the total grant available increased. The result in 2018 was a result of these grants expected reduction in the coming years.

Service / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	6.00	6.00	6.00	7.00	The result achieved has remained consistent.
Service Performance Indicators					
Aquatic Facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.39	5.49	5.51	5.30	Reduction in access to one facility (Oak Park was closed for redevelopment) and another outdoor facility was late opening due to maintenance works. It is noted that some attendances were reallocated to other facilities.
Animal Management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions] ownership. Council has successfully prosecuted all cases that have been brought to court.	2.00	3.00	2.00	3.00	Moreland City Council staff work hard to ensure a high level of visibility within the community, as well as to support an environment of responsible animal management
Food Safety					
Health and safety 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	87.00%	100.00%	98.70%	97.60%	The new risk-based assessment approach doubled the rate of non-compliance in this initial year, requiring double the amount of follow-up inspections. This has only had a minor impact on the overall result. Increased compliance and reduced follow-ups are anticipated in future years.

Service / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
Governance					
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	55.00	54.00	59.00	While the improvement is encouraging, there is further work needed by Council in this area. Council continues to increase its transparency through the livestreaming of meetings and interaction with the community on a range of platforms. Results are from the 2017-18 Local Government Community Satisfaction Survey.
Home and Community Care (HACC)					
Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	25.00%	17.08%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on Home and Community Care ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	24.00%	17.56%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries					
Participation <i>Active library members</i> [Number of active library members/Municipal population] x100	15.00%	15.15%	15.63%	14.85%	The number of active library members has declined slightly, however these figures do not account for those using the library services that are also available to non-members, such as attendance at Moreland's extensive range of events. The new initiative 'Libraries After Dark' has attracted new visitors to the Glenroy Library, which now remains open until 10 pm once a week, offering events, craft clubs and more.

Service / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
Maternal and Child Health (MCH)					
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75.00%	68.65%	67.87%	69.61%	Council makes contact with 100% of families following a birth. In some cases, families opt to seek alternative family support services as their child grows. Our service assists families to connect with other community support services and networks. Source: Council's Maternal and Child Health records – births, attendance at key ages and stages
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	67.00%	53.75%	61.90%	65.12%	Council recognises that there is a lower rate of participation in MCH services from the Aboriginal community, but it is encouraging that attendance is on the rise. Some Aboriginal families choose to access MCH services from an Aboriginal Community Controlled Health Service, which is available in a neighbouring municipality.
Roads					
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58.00	56.00	56.00	62.00	This result reflects a significant improvement in the community satisfaction of Moreland's local roads compared to recent years. It is envisaged that the ongoing investment in road renewal outlined in Council's Strategic Resource Plan will continue to improve community satisfaction in the longer term.

Service / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
Statutory Planning					
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	55.00%	57.14%	39.73%	51.09%	Improved result in 2017-18 is consistent with results in 2014-15 and 2015-16. Lower than usual result in 2016-17 is attributed to changes in planning scheme provisions including changes to State-wide residential zones.
Waste Collection					
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	46.00%	45.12%	46.49%	44.18%	Council is placing an increased focus on waste and recycling education in 2018-19 as it works towards a zero waste Moreland.

Definitions

Aboriginal child means a child who is an Aboriginal person.

Aboriginal person has the same meaning as in the *Aboriginal Heritage Act 2006*.

Adjusted underlying revenue means total income other than:

- non-recurrent grants used to fund capital expenditure
- non-monetary asset contributions, and
- contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).

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

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

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.

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

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

Community Care Common Standards means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth.

Critical non-compliance outcome notification means a notification received by council under section 19N (3) or (4) of the *Food Act 1984*, or advice given to council by an 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*.

HACC program means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth.

HACC service means home help, personal care or community respite provided under the HACC program.

Local road means a sealed or unsealed road for which the Council is the responsible road authority under the *Road Management Act 2004*.

Major non-compliance outcome notification means a notification received by a council under section 19N (3) or (4) of the *Food Act 1984*, or advice given to council by an authorised 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.

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.

Target population has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth.

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

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*.

Dimension / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018
Financial Performance Indicators				
Efficiency				
Revenue level	\$1,443.68	\$1,496.48	\$1,566.58	\$1,533.94
<i>Average residential rate per residential property assessment</i>				
[Residential rate revenue / Number of residential property assessments]				
Expenditure level	\$2,028.86	\$2,132.60	\$2,148.35	\$2,242.50
<i>Expenses per property assessment</i>				
[Total expenses / Number of property assessments]				
Workforce turnover	19.41%	7.38%	9.61%	8.70%
<i>Resignations and terminations compared to average staff</i>				
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100				
Liquidity				
Working capital	137.84%	242.23%	266.94%	347.78%
<i>Current assets compared to current liabilities</i>				
[Current assets / Current liabilities] x100				
Unrestricted cash				
<i>Unrestricted cash compared to current liabilities</i>	42.10%	97.74%	9.02%	-17.08%
[Unrestricted cash / Current liabilities] x100				
Obligations				
Asset renewal	72.77%	66.33%	52.39%	81.11%
<i>Asset renewal compared to depreciation</i>				
[Asset renewal expense / Asset depreciation] x100				
Loans and borrowings	40.78%	37.48%	34.28%	25.81%
<i>Loans and borrowings compared to rates</i>				
[Interest bearing loans and borrowings / Rate revenue] x100				
<i>Loans and borrowings repayments compared to rates</i>	22.76%	11.12%	2.68%	9.22%
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100				
Indebtedness	25.83%	33.26%	25.69%	21.25%
<i>Non-current liabilities compared to own source revenue</i>				
[Non-current liabilities / Own source revenue] x100				

Forecasts 2019	Forecasts 2020	Forecasts 2021	Forecasts 2022	Material variations and comments
\$1,668.64	\$1,686.84	\$1,705.23	\$1,723.82	After the introduction of rate capping, rates income has remained steady.
\$2,224.60	\$2,202.24	\$2,242.15	\$2,261.53	The result of this indicator has remained consistent over the last few years.
8.00%	8.00%	8.00%	8.00%	Council has been able to improve the retention of experienced staff over the last four years.
277.75%	318.16%	342.45%	363.57%	Lower than anticipated accrued expenses in 2017-18 relative to 2016-17. In addition, a loan balance of \$5.9 million was finalised in 2017-18 as this loan matured.
-3.50%	31.94%	61.21%	87.14%	Ratio does not include term deposits > 90 days listed as 'Other Financial Assets' in the Balance Sheet. Ratio recalculated would be (\$56.0 million + -\$6.251 million = \$49.749 million)/ \$36.590 million = 135.9%. Using the same formula for 2016-17 the variance would be 5.51% ((128.8% (2016-17) and 135.9% (2017-18)).
108.65%	97.39%	111.49%	106.68%	Significant increase in asset renewal relative to 2016-17. Includes expenditure on road assets \$6.91 million and plant & equipment \$4.04 million (i.e. fleet replacement costs).
24.22%	24.93%	23.61%	22.37%	Council finalised an outstanding loan of \$5.9 million in 2017-18 that matured.
1.81%	1.70%	1.62%	1.55%	Council finalised an outstanding loan of \$5.9 million that matured and also decided to finalise a \$3.3 million loan based on a cost/benefit analysis.
21.02%	21.64%	20.53%	19.47%	Council decided to finalise a \$3.3 million loan based on a cost/benefit analysis.

Dimension / indicator / measure	Results 2015	Results 2016	Results 2017	Results 2018
Operating position				
Adjusted underlying result	11.15%	8.30%	17.78%	17.61%
<i>Adjusted underlying surplus (or deficit)</i>				
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100				
Stability				
Rates concentration	71.87%	73.82%	70.11%	65.79%
<i>Rates compared to adjusted underlying revenue</i>				
[Rate revenue / Adjusted underlying revenue] x100				
Rates effort	0.30%	0.31%	0.28%	0.28%
<i>Rates compared to property values</i>				
[Rate revenue / Capital improved value of rateable properties in the municipality] x100				

Definitions

Adjusted underlying revenue means total income other than:

- non-recurrent grants used to fund capital expenditure
- non-monetary asset contributions, and
- contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).

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

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

Population means the resident population estimated by Council.

Own-source revenue means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants).

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

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

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

Other information

For the year ended 30 June 2018.

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*.

Forecasts 2019	Forecasts 2020	Forecasts 2021	Forecasts 2022	Material variations and comments
13.65%	16.52%	16.17%	16.61%	Council has maintained a consistent result in the last two years.
74.09%	73.42%	73.49%	73.55%	Council's reliance on rates has decreased over the period.
0.25%	0.25%	0.26%	0.26%	After the introduction of rate capping, Rates income has remained steady.

Where applicable, the results in the performance statement have been prepared on accounting basis consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (for example, 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* require explanation of any material variations in the results contained in the Performance Statement.

Council has adopted materiality thresholds relevant to each indicator and measure. 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 2017-2022*, which forms part of the Council Plan. The *Strategic Resource Plan* includes estimates based on key assumptions about the future that was relevant at the time of adoption and aimed at achieving long term sustainability. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The *Strategic Resource plan* can be obtained on our website or by contacting Council.

Definitions

Adjusted underlying revenue means total income other than: a) non-recurrent grants used to fund capital expenditure b) non-monetary asset contributions, and c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).

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

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.

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.

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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.

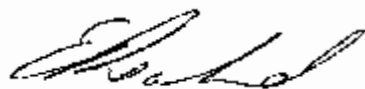
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WorkSafe reportable aquatic facility safety incident means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Certification of the Performance Statement

In my opinion, The accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



Elizabeth Rowland, Certified Practising Accountant
Principal Accounting Officer

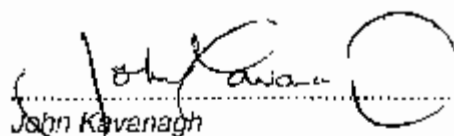
Date: 12 September 2018

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

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

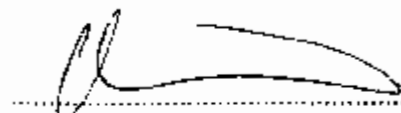
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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



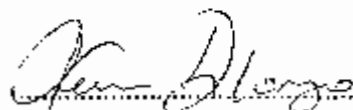
John Kavanagh
Mayor and Councillor

Date: 12 September 2018



Natalie Abboud
Deputy Mayor and Councillor

Date: 12 September 2018



Nerina Di Lorenzo
Chief Executive Officer

Date: 12 September 2018

Independent Auditor's Report

To the Councillors of Moreland City Council

Opinion	<p>I have audited the accompanying performance statement of Moreland City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2018• sustainable capacity indicators for the year ended 30 June 2018• service performance indicators for the year ended 30 June 2018• financial performance indicators for the year ended 30 June 2018• other information and• the certification of the performance statement. <p>In my opinion, the performance statement of Moreland City Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>


Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
21 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Report of Operations

Planning and accountability

The *Moreland Council Plan 2017-21* (the plan) sets the strategic direction for the corresponding four-year council term. It was informed by extensive consultation with the community, councillors and staff between January and April 2017. The plan was also guided by the Moreland 2025 Community Vision and other existing strategies, research, internal and external policies and plans.

The plan is framed around an overarching vision and three strategic objectives.

Vision: Moreland will be known for its proud diversity and for being a connected, progressive and sustainable city in which to live, work and play.

Strategic objectives:

1. CONNECTED COMMUNITY

2. PROGRESSIVE CITY

3. RESPONSIBLE COUNCIL

These strategic objectives provide guidance and focus for Council and are supported by aligned key priorities, which inform the specific actions that council will take, for the benefit of the Moreland community.

Council also produces a *Strategic Resource Plan*, which spans beyond the life of the Council Plan and outlines the resourcing for implementation, including Council's Capital Works Program.

Each year a *Council Action Plan* is developed with reference to the four-year *Council Plan* and *Strategic Resource Plan*.

Our Integrated Planning Framework

The structure of Council's planning framework is outlined on page 44. It highlights the relationship between the council plan, the annual budget and service delivery; which informs and drives our service delivery, projects and resource allocation.

How we are measured

Our ongoing monitoring and reporting of performance through monthly, quarterly and annual reports ensures we are accountable, transparent and comply with legislation.

Our performance in this annual report is reported against the three strategic objectives of the plan and are broken into:

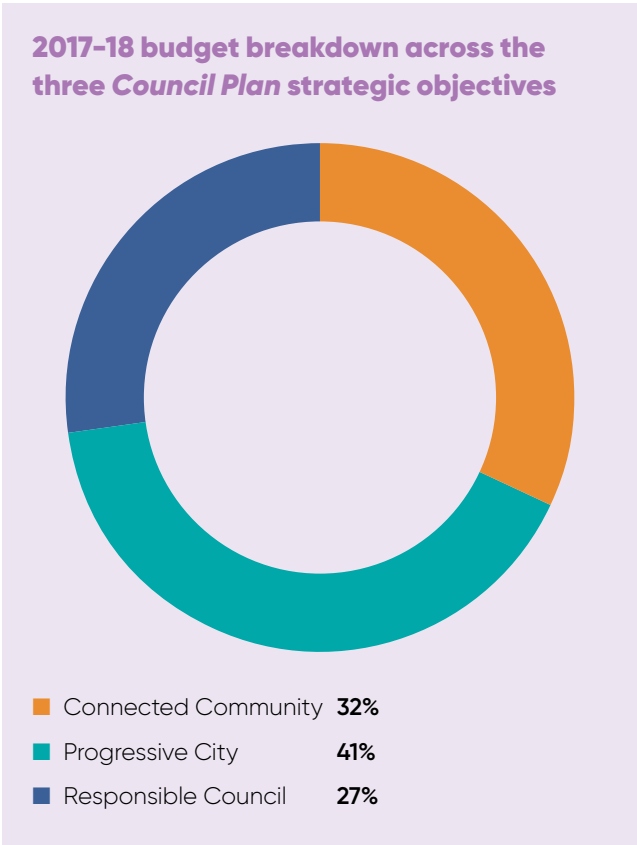
1. Results of Strategic Indicators in the Council Plan

Strategic Indicators are a set of key measures used to determine our performance against the Council Plan key priorities.

2. Progress of major initiatives supporting the Council Plan key priorities

Each year a Council Action Plan is created, which sets out the key activities to be implemented within the financial year to achieve the objectives of the Council Plan. The major initiatives from the 2017-18 Council Action Plan are referenced in this section of the Annual Report.

3. Description of services funded in the 2017-18 Budget, as aligned to the Council Plan key priority areas, actual cost of services in the 2017-18 financial period and any variances



4. Results of prescribed service performance indicators and measures, as drawn from the mandatory Local Government Performance Reporting Framework (LGPRF), across 9 Council services.

This framework ensures that all councils are measuring and reporting on their performance in a consistent way. Not all Council services are reported and measured under the LGPRF (referred to on the following pages as Service Performance Indicators). The table below outlines what is included in LGPRF reporting:

LGPRF Service areas:

- Aquatic facilities
- Animal management
- Food safety
- Governance
- Libraries
- Maternal and Child Health (MCH)
- Roads
- Statutory planning
- Waste collection

Some of the information below is repeated in the Performance Statement section of this report, on page 48. The below includes commentary and figures in addition to the Local Government Performance Reporting Framework (LGPRF) requirements met in the Performance Statement, which is auditable by the Victorian Auditor-General's Office (VAGO).

STRATEGIC OBJECTIVE 1:

Connected Community

1 KEY PRIORITY: Achieve higher levels of social cohesion for our multicultural, established and newly arrived community, by fostering opportunities for shared learning and celebration

Strategic indicator	2017-18 Result	Comments
People feel that Council supports the diversity of the Moreland Community.	96%	According to the 2017-18 Local Government Community Satisfaction Survey, Council was rated at 96% for its performance in supporting the diversity of the Moreland Community.

Major Initiatives	Progress
Develop a plan for social cohesion in Moreland, which identifies priority areas for action, which will lead to enhanced social cohesion.	Completed and adopted by Council in December 2017, the Social Cohesion Project was led by Fawkner Community House and will continue into 2018-19.
Implementation of the <i>Food Systems Strategy</i> and develop a monitoring and reporting framework.	Implementation of the strategy is ongoing. The monitoring and reporting framework is complete.
Define scope and implement a new indigenous employment program to increase the proportion of Aboriginal and Torres Strait Islander staff employed by Moreland City Council.	A more inclusive employment strategy was endorsed in 2017-18. Ongoing work to embed inclusive employment practises in the recruitment process will continue into 2018-19.
Undertake a review of library service to inform the development of the Library Services Strategy for 2019-2023.	Final library review report received by Moreland Libraries Advisory Committee (MorLAC) in June.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue Budgeted expenditure Total \$'000	Actual revenue Actual expenditure Total \$'000	Variance \$'000
Library Services and Resources	This service provides library lending services, programs and extension services, information services and facilities.	(1,257) 5,424 4,167	(1,491) 5,582 4,091	75
Community Development and Social Policy	This service aims to enhance community wellbeing through community development, social policy and planning, and works to assist communities to become empowered and able to meet their own needs and aspirations, and to navigate issues that impact on their health and wellbeing.	(175) 2,327 2,152	(301) 2,719.50 2,418.28	(266)

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Libraries utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	4.88	5.13	4.32	4.27	The number of physical visits to Moreland libraries has declined, but this was partly offset by an 8% increase in online visits to the library website and increased use of e-resources. A greater focus will be placed on promotion and outreach next year, particularly to Moreland's Culturally and Linguistically Diverse (CALD) communities.
Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	79.00%	78.08%	75.34%	75.72%	Following on from the successful adult Top 10 collection, the Top 5 collection was launched for Young Adults and junior audiences. The selection of critically-acclaimed and popular titles has proved very successful with both audiences. New collection formats introduced this year included <i>Launchpads</i> – a lendable tablet device with pre-loaded content such as children's stories and games as well as adult brain training and language learning – and <i>Vox Books</i> – a range of fiction and non-fiction children's picture books with built-in playback of the book read aloud.
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$6.97	\$7.49	\$7.19	\$7.54	The service cost for 2016-2017 was lower than anticipated due to Fawkner library being closed for one month for renovations. The 2017-18 cost is only a slight increase on the 2015-16 cost, which is a more reliable comparator as there were no library closures that financial year.
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	15.00%	15.15%	15.63%	14.85%	The number of active library members has declined slightly, however these figures do not account for those using the library services that are also available to non-members, such attendance at Moreland's extensive range of events. New initiative 'Libraries After Dark' has attracted new visitors to the Glenroy Library, which now remains open until 10pm once a week, offering events, craft clubs and more.

KEY PRIORITY: Set a clear vision and strategy for aquatics, leisure and sporting facilities to meet ongoing community needs

Strategic indicator	2017-18 Result	Comments
Set a clear vision and strategy for aquatics, leisure and sporting facilities to meet ongoing community needs.	Achieved	The Aquatic and Leisure Strategy was endorsed in 2017-18 period.

Major Initiatives	Progress
Aquatic and Leisure Strategy 2018-2038 – The implementation of the Moreland Aquatic and Leisure Strategy will require an investment of approximately \$179M (including escalation costs) over the next 20 years. This will be the highest level of investment proposed for any single service in Council's history.	The strategy was endorsed at the 13 June 2018 Council meeting. This investment recognises the social importance that Council and the community places on aquatic and leisure services and reinforces Council's commitment to improving the health and wellbeing of residents by providing infrastructure and services that support good health outcomes.
Oak Park Sports and Aquatic Precinct Upgrade	Progressing as per project timelines. Scheduled for completion by the 2018-19 summer season.
Municipal Public Health and Wellbeing Plan 2017-21 –	Endorsed at the October 2017 Council meeting.
Undertake planning to deliver Moreland Recreation Strategy 2019-2024	Council was successful in receiving funding for the Strategy. A project brief, including research and consultation approach, was finalised in the 2017-18 financial year.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
Aquatic and Leisure Facilities	This service provides contract management of the appointed service provider for Active Moreland Aquatic and Leisure Services (which includes Aquatic Facilities); direction and oversight of the Active Moreland program and service development; compliance auditing across a range of Functions to deliver the objectives and outcomes required of the contract; capital maintenance and infrastructure improvement planning and project supervision; and, policy development and review.	0	(163)	
		<u>2,148</u>	<u>1,992</u>	
		2,148	1,828	319
		Variance note: Revenue received by Council included a number of unbudgeted grants.		
Recreation Services	This service aims to improve sport and physical activity participation for people of all ages, gender, background and ability by promoting the use of recreation facilities and enhancing the capacity of local recreation, sporting clubs and community organisations to deliver services.	(312)	(1,817)	
		<u>1,155</u>	<u>1,202.46</u>	
		843	(615)	1,459
		Variance note: Revenue received by Council included a number of unbudgeted grants.		

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Aquatic Facilities Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.50	1.50	1.17	1.00	Additional inspections were organised in 2015-16 as part of the second year of reporting and two contract terms. This is undertaken by Council's Environmental Health Unit.
Health and safety <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	8.00	9.00	2.00	2.00	The decline in incidents in 2017 was due to a change in reporting requirements in 2017 to only capture aquatic incidents, not incidents from across all facilities (i.e. gym).
Service cost <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	-\$0.55	\$0.06	\$0.88	\$0.75	A new contract term commenced in October 2015, with pricing better reflecting cost of service delivery and age of assets and investment required. The direct cost also increased comparatively due to fluctuation in utility costs. Increase in attendances was offset against reduced costs in operations and better performance at Brunswick Baths and Coburg Leisure Centre.
Service Cost <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$8.69	\$8.82	\$9.14	\$7.28	There was a reduction in the number of outdoor pools operating within the 2017-18 period, with the Oak Park outdoor pool closed for redevelopment. An increase in attendance at Moreland's other two outdoor pools reduced cost in operations.
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.39	5.49	5.51	5.30	Reduction in access to one facility (Oak Park was closed for redevelopment) and another outdoor facility was late opening due to maintenance works. It is noted that some attendances were reallocated to other facilities



KEY PRIORITY: Determine the best way for Moreland to continue supporting our community throughout, and after Aged Care and NDIS reforms

Strategic indicator	2017-18 Result	Comments
Clarity on how Moreland will support the community in Aged Care and Disability.	In progress	A plan for Council's approach following the introduction of the NDIS was endorsed by Council in 2017-18. Living and Ageing Well in Moreland strategy and framework draft is complete, and Council will be briefed on its content in August 2018.

Major Initiatives	Progress
Responding to Aged Care Reforms – Develop Living and Ageing Well in Moreland Strategy	Living and Ageing Well in Moreland strategy and framework draft completed with Council briefing scheduled in August 2018.
Disability: Responding to NDIS reforms – Determine future of Council in delivery of support services.	Plan presented to Council to transition from current Council support services to new NDIS service providers.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
<i>Social Support Services</i>	This service delivers a number of specific social support programs, including Community Transport, Food Services, Planned Activity Group (which provides activities and lunch for socially isolated eligible residents residing in low cost or insecure accommodation), and the provision of information and support to older community residents and senior citizens groups.	(2,788) <u>2,531</u> (257)	(794) <u>1,723</u> 928	(1,186)
Variance note: There was a lower than anticipated demand for Meals on Wheels.				
<i>Home Care</i>	This service aims to assist residents to remain living at home independently and in a safe and secure environment. Specific services include home maintenance, home support, respite support and personal support.	(6,801) <u>11,642</u> 4,841	(8,269) <u>11,599</u> 3,329	1,512
Variance note: There was a lower than anticipated demand for Home Help resulting in lower requirement for contractors to backfill for vacant staff.				
<i>Assessment Services</i>	This service provides the Home and Community Care (HACC) program to older people, people with a disability and their carers, referrals to and information about other related services, and assistance with care coordination.	(1,055) <u>1,626</u> 571	(1,008) <u>1,895</u> 887	(316)

KEY PRIORITY: Enhance family and children's services to meet the needs of Moreland's growing population and increasing birth rate

Strategic indicator	2017-18 Result	Comments
To keep pace with population and birth rate growth.	100%	2820 birth notifications were received in Moreland in 2017-18 and 2821 were enrolled in Moreland's MCH service. Following a birth notification in Moreland, Council's MCH service proactively makes contact with all families. Source: <i>Council's Maternal and Child Health records – births, attendance at key ages and stages.</i>

Major Initiatives	Progress
Moreland Early Years Strategy 2016-20 – Improved health, wellbeing and education outcomes for all children in Moreland.	Review of the Strategy completed and priorities for 2018-19 identified.
Moreland Play Strategy 2016-2020 – Encourage increased participation of adults and children in passive outdoor activities.	Completed playground upgrades by June 2018 for the following reserves: <ul style="list-style-type: none"> • Fraser Reserve • Kelvin Thomson Reserve • Moomba Park • Bryant Family Reserve • Campbell Reserve • Stevenson Reserve

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
<i>The Maternal and Child Health (and Immunisations)</i>	The Maternal and Child Health (and Immunisations) service supports the optimal health and development of young children and families in their parenting role. Specific activities include: parenting support and education; health promotion; immunisations; monitoring of growth and development in children; and, early identification and attention to child and family health issues.	(1,496) <u>4,412</u> 2,916	(1,723) <u>4,938</u> 3,214	(299)
<i>Children's Services</i>	This service provides support to families and children through the Moreland Primary School Holiday Program, the Moreland Family Day Care program and the development and facilitation of local children's services networks, advocacy, policy development, strategic planning, and the provision of resourcing and support to early year service providers.	(1,393) <u>2,647</u> 1,254	(1,437) <u>2,457</u> 1,020	234

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Maternal and Child Health (MCH) Satisfaction <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	105.00%	94.58%	90.02%	88.90%	Council makes contact with every family whose details are provided as part of the birth notifications process. Some families do not continue through Moreland's MCH service due to a change in address. Council transfers these families to their home in the municipality. MCH nurses visit all families at home and at that first appointment book their 2, 4 and 8-week appointments.
Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	101.00%	101.04%	101.83%	101.33%	These figures show the number of children who are enrolled into our MCH service from the birth notifications that Council receives.
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	Not available	\$81.80	\$85.63	\$75.21	The cost of the MCH service is dependent on State Government funding, which varies year on year. Note: no data available for 2015 due to introduction of Child Development Information System in 2016.
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75.00%	68.65%	67.87%	69.61%	Council makes contact with 100% of families following a birth. In some cases, families opt to seek alternative family support services as their child grows. Our service assists families to connect with other community support services and networks.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	67.00%	53.75%	61.90%	65.12%	Council recognises that there is a lower rate of participation in MCH services from the Aboriginal community, but it is encouraging that attendance is on the rise. Some Aboriginal families choose to access MCH services from an Aboriginal Community Controlled Health Service which is available in a neighbouring municipality.

KEY PRIORITY: Better equip our young people for employment and provide opportunities to actively participate in civic life

Strategic indicator	2017-18 Result	Comments
People feel that Council supports the provision of opportunities for young people.	90%	Result from the 2017-18 Local Government Community Satisfaction Survey question about providing a range of spaces that meet the needs of young people.

Major Initiatives	Progress
Oxygen Youth Facility – Completion of final stages: investing in young people through services and youth friendly spaces.	Construction completed in November 2017.
Implement the current Oxygen Phase 2 Report and action plan and develop a new Youth Strategy in 2018 .	Youth Resilience Survey successfully implemented. Outcomes of Oxygen Phase 2 Report was presented to Council in February.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
Youth Services	This service aims to enhance the lives of young people and provide safe, supportive and engaging services, spaces and programs for young people to learn, connect and socialise. Specific service activities include: facility planning and development; program delivery; and planning and partnerships.	(132)	(126)	(51)
		<u>988</u>	<u>1,033</u>	
		855	906	



Lauren at her professional tattoo studio
in Coburg, La Flor Sagrada Tattoo.

Strategic indicator	2017-18 Result	Comments
People feel safer in our neighbourhoods.	i) 92% ii) 71%	Results from the <i>Moreland Community Indicators Survey</i> : i) Your area is a safe place to live during the day; and ii) Your area is a safe place to live during the night Survey is held every 2 years. 2016-17 survey results used.

Major Initiatives	Progress
Local Law Review – Review of statutory document that guides local policy and enforcement of City amenity.	The General Local Law was adopted at the December 2017 Council meeting.
Lighting of Upfield Bike track – To ensure safety for users and increase usability.	Lights installed at Dawson Street car park and other locations along the Park Street to Bell Street corridor, was completed.
Moreland Flood Mapping Upfield Bike track – Review and update the Drainage Asset Management Strategy 2006 to reduce the risk to community.	Flood modelling has been completed, with mapping layers suitable for GIS.
Child Safe Policy – Approved by the CEO.	Endorsed internally in 2017, with ongoing communication and engagement with staff to continue.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
Amenity and Compliance	This service aims to improve the safety, amenity and access within the municipality. Specific services include: parking enforcement; local laws; animal management; and school crossings service.	(8,417) <u>6,353</u> (2,064)	(9,174) <u>6,192</u> (2,981)	918
Variance note: Council has increased its education and communication about the importance of animal registrations and received a higher than predicted number of registrations. Grant funding from VicRoads relating to FY18/19 was also received in June 2018.				

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Animal Management Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	0.00	14.80	17.00	12.85	The use of field enabled technology has led to a modest improvement in resolution times for animal management requests. It is expected that with further enhancements in processes, further gains will be recorded.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	52.99%	49.95%	54.59%	65.28%	Council has been encouraging residents, through education and media campaigns, to register their pets, thereby providing an increased opportunity to reunite pets with their owners. This has resulted in higher reclamation rates.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$42.82	\$43.71	\$52.09	\$57.35	The establishment of the Epping Animal Welfare Facility as a shared resource between three Councils has resulted in an increase in operating costs, however the new facility provides a superior standard of care for animals housed at the brand new, purpose-built facility.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	2.00	3.00	2.00	3.00	Moreland City Council staff work hard to ensure a high level of visibility within the community, as well as support an environment of responsible animal ownership. Council has successfully prosecuted all cases that have been brought to court.

STRATEGIC OBJECTIVE 2:

Progressive City

1 KEY PRIORITY: Enhance liveability, affordability and sustainability by guiding growth, and excellence in urban design and development

Strategic indicator	2017-18 Result	Comments
Successful Implementation of Moreland's Local Planning Policy Framework (LPPF).	Progressing	The Local Planning Policy Framework Monitoring Framework aims to understand the effectiveness of the LPPF. The first findings from the Framework show that the LPPF is guiding land use and development that are contributing to the creation of sustainable neighbourhoods, in accordance with the objectives set out in both the LPPF and Municipal Public Health and Wellbeing Plan (Liveable Neighbourhoods Focus Area).

Major Initiatives	Progress
Virtual Moreland – Improve Council's decision-making process and put Moreland at the forefront of using virtual reality for planning and consultation.	Data capture scanning was completed to facilitate the 3D model to be generated and a consultant appointed to commence development of a new augmented reality application to support community engagement.
Residential Zones – Review the 2017 Reformed Residential Zones to understand their impacts on residential development outcomes and scope any necessary changes to the Planning Scheme to improve built form outcomes within the Residential Zones. Incorporate findings of the Medium Density Housing Review into recommended actions.	Progressing with findings of the Medium Density Housing review and recommendations for implementation.
Establish an ongoing monitoring and review program for the Local Planning Policy Framework – To ensure evidence-based decision making, up to date reporting on planning outcomes.	Progressing with briefing to Council, which included a clear summary of project and next steps presented.
Corporate Carbon Reduction Plan – Implement initiatives to support energy efficiency and renewables for Council's operations.	Council continues to progress the Hydrogen Heavy Fleet fuel project and in 2017-18 also completed the Coburg Civic Centre thermal plant efficiency upgrade project. Solar PV installations were completed and operational at Shirley Robertson Childcare (18.6kW) and at Barry Beckett Childcare Centre (20.5kW).
Urban Heat Island Action Plan: Implement the plan and associated projects to deliver actions to mitigate the urban heat island effect.	Key initiatives delivered in year one included: <ul style="list-style-type: none"> completion of the Cooling Communities project, water sensitive urban design delivered in urban design streetscape improvement projects and release of the draft Cooling the Upfield Corridor Action Plan for community consultation.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
City Development	The unit manages building permit and building consent applications, all food and other health related premise registrations and the associated compliance activities associated with planning, building and environmental health registration processes.	(13,645) <u>5,509</u> (8,137)	(17,583) <u>5,319</u> (12,264)	4,127
		Variance note: Council received higher than budgeted Subdivider Contributions throughout the year.		
Environmental Health	This service works to prevent food-borne illness (food safety), the prevention of infectious disease, achieving compliance in prescribed accommodation, nuisance complaint investigation and resolution, and provides support to the Municipal Emergency Management Plan and provision of public health-related information.	(884) <u>1,047</u> 163	(844) <u>957</u> 113	49
Building Services	This service aims to provide a safe and habitable for all stakeholders by meeting Council's statutory obligations under the Building Act 1993 and subordinate legislation.	(729)	(575)	52
City Strategy and Design	This service is responsible for the implementation of planning scheme amendments, including assessing and processing amendment applications; development and implementation of plans, policies, strategies and assessments to facilitate environmental sustainability; development and implementation of plans, policies, guidelines, studies and strategies to guide the sustainable use and development of land in Moreland; and developing, monitoring, implementing and reviewing a broad range of urban design projects. This service addresses multiple key priority actions in the Council Plan.	(36) <u>4,296</u> 4,260	(399) <u>4,445</u> 4,045	215

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Food Safety Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	Not available	3.20	3.26	3.83	The average timeframe has increased in 2017 by approximately half a day (average). Total complaints have doubled in the last 2 years. The average timeframes reflect this doubling of workload and the need to improve corporate triaging to reduce reallocation of complaints and further improve Environmental Health Officer response and reporting.
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	88.00%	87.35%	100.00%	87.98%	The move to a riskbased assessment program has increased timeframes for each premises assessment, impacting the numbers completed in the initial year of this change. With the quality of food safety inspection enhanced, improved outcomes and reduced assessment timeframes are anticipated for next year.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$605.36	\$565.14	\$577.59	\$590.72	Cost have remained generally at the same level over the last 4 years. Variations are often as a result of staffing levels throughout the year.
Health and safety <i>Critical and major noncompliance outcome notifications</i> [Number of critical noncompliance outcome notifications and major noncompliance notifications about a food premises followed up / Number of critical noncompliance outcome notifications and major noncompliance notifications about a food premises] x100	87.00%	100.00%	98.70%	97.60%	The new risk-based assessment approach doubled the rate of non-compliance in this initial year, requiring double the amount of follow-up inspections. This has only had a minor impact on the overall result. Increased compliance and reduced follow-ups are anticipated in future years.
Statutory Planning Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	99.00	83.00	98.00	100.00	Council receives a high number of medium and high-density planning applications, which result in higher levels of further information requests and higher levels of public notification in comparison to other metropolitan and inner-city councils. This in turn leads to greater consultation meetings with affected residents.

Service Performance Indicators

Results

Service Indicator / measure	2015	2016	2017	2018	Material Variation
Service standard <i>Planning applications decided within required time frames</i> [Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	59.00%	59.01%	57.73%	61.64%	Despite the median days result explained above, Council's average performance against statutory timeframes generally marginally exceeds that of metropolitan and inner-city Councils.
Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,375.83	\$2,124.15	\$2,605.90	\$2,891.45	Data provided for this measure by the Planning Permit Activity Reporting System (PPARS) specified in 2017-18 that amendments be excluded. The cost per application has increased as we have excluded amendments from the total number of applications and only count new applications. There is no actual increase in costs, just a lower number to calculate the cost per application. This is reflective of the results.
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	55.00%	57.14%	39.73%	51.09%	Improved result in 2017-18 is consistent with results in 2014-15 and 2015-16. Lower than usual result in 2016-17 is attributed to changes in planning scheme provisions, including changes to State-wide residential zones.

KEY PRIORITY: Facilitate a demonstrable shift to more sustainable modes of transport that also targets a long-term reduction in car use

Strategic indicator	2017-18 Result	Comments
Increase in sustainable modes of transport.	In progress	As determined through the review and adoption of the Moreland Integrated Transport Strategy. This is an outer year measure, as Council has set the direction in year one.

Major Initiatives	Status
Review of the Moreland Integrated Transport Strategy (MITS) , with specific focus on achievement of this outcome to drive later year's action to enable mode shift and reduction in traffic congestion	Councillors briefed on the background report and transport assessment in December 2017. Public consultation occurred in February / March 2018. Draft MITS deferred to July to ensure Councillors are sufficiently briefed about the direction of the strategy.
Extend the Upfield Bike Path to connect with the Western Ring Rd Path – continue advocacy with the offer of half of funding from State Govt.	In May 2017 Council received notification that it was successful in obtaining full funding for completion of the Upfield Bike, to the value of \$3.5m.
Continue to advocate for level crossing removal in Moreland – Work with the Level Crossing Removal Authority (LXRA) to maximise community benefit from crossing removals in Moreland.	Letter to the Minister and CEO met with LXRA CEO in July to advance Council's advocacy position. Ongoing meetings with LXRA occurred throughout the year 2017-18.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	
<i>Transport Development</i>	This service aims to provide transport and development advice to support a liveable city by ensuring that the most convenient, efficient and effective transport mode is also the best for the environment, community and the economy. Specific services include strategic transport planning, traffic management and development advice.	(296) <u>3,579</u> 3,282	(843) <u>3,461</u> 2,618	664
Variance note: Council received unbudgeted grants and contributions and an increase in permit income relating to the City Link widening project.				
<i>Road Construction and Maintenance</i>	This service aims to create a more liveable city by providing a range of services to maintain and improve the safety and integrity of the City's Road Network. Specific services include: Road maintenance and renewal, asset stewardship and road infrastructure.	(1,340) <u>4,882</u> 3,542	(1,431) <u>5,250</u> 3,818	(277)

KEY PRIORITY: Support the local economy and trading environments to enhance economic activity and promote local jobs

Strategic indicator	2017-18 Result	Comments
New Employment opportunities created.	Progressing	<p>Increase the advancement of significant commercial and industrial investment projects that provide job creation. 11 new employment opportunities supported:</p> <ul style="list-style-type: none"> • 6 – Food and Beverage sector • 3 – Creative Industry sector • 1 – Health services • 1 – trade sales / retail

Major Initiatives	Progress
Economic Development Strategy 2016-21 – Facilitate the growth and diversity of local jobs.	Ongoing implementation of Economic Development Strategy. Economic Development portfolio activities for the 2017-18 year were completed, including website overhaul and the progress of the Brunswick Business Incubator development.
The Coburg Initiative (TCI): major urban regeneration project for the Coburg Activity Centre; with Progress delivery of: TCI Development Cluster 1 – Coburg Square, to create a new town square and improved streetscape amenity, mixed use buildings, increased jobs and dwellings in the centre.	Developed and implemented an advocacy strategy, to seek State funding and progress planning and design for the redevelopment of the Coles/car park site in the heart of Coburg. Further briefings to Council on progression of the development of TCI to occur in 2018.
The Coburg Initiative (TCI): major urban regeneration project for the Coburg Activity Centre; with Progress delivery of: TCI Development Cluster 2 – Hospital.	Council report considered in August 2017, resolved to endorse the commencement of a tender process to seek a partner interested in developing the site for hospital or major health facility. Further activity to occur in 2018.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	
Places / Economic Development	This service includes 'The Coburg Initiative'. It provides leadership and direction in the development and delivery of Council's Place Management, Major Projects Facilitation and Economic Development programs and services.	(496)	(491)	83
		2,883	2,795	
		2,387	2,303	

KEY PRIORITY: Increase tree canopy cover, enhance existing open space and create at least two new parks in areas with the lowest access to open space

Strategic indicator	2017-18 Result	Comments
Create at least two new parks in areas with the least access to open space and experiencing the greatest development pressures.	i) Progressing ii) 5000 trees planted	i) The strategy was updated, with land acquisition continuing into the next financial year. ii) Increased canopy cover, to be progressed through the annual planting of 5000 trees.

Major Initiatives	Progress
More Open spaces and parks in Moreland – establish a framework or open space fund allocation and then undertake land purchase and conversion to Open Space.	The framework to fill open space gaps was adopted by Council. Commencement of land purchase, progressing into 2018-19.
Urban Forest Strategy – Will guide the strategic direction of the management of Moreland's urban forest, aiming to create a municipality where healthy trees and vegetation are a core part of the urban environment.	Adoption of the Urban Forest Strategy by Council, which included 5,000 trees planted by October 2017 and are now being maintained.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
<i>Open Space Design and Development</i>	This service partners with the community, to conserve, plan, design and develop relevant quality public open space which includes parks, reserves, playgrounds, sports fields, creek corridors, streetscapes and civic and urban spaces. The core service responsibilities of this service unit are: strategic planning and policy development; bushland conservation & development; and capital works planning, design and delivery.	0 <u>1,719</u> 1,719	(59) <u>1,875</u> 1,816.12	(97)
<i>Open Space Maintenance</i>	This service maintains parks, reserves and sports fields; open space assets such as playgrounds, sporting infrastructure, and park furniture; streetscapes such as street trees, roadside garden beds and street/footpath/laneway weeds; and grounds in community centres, child care centres and kindergartens.	(74) <u>10,707</u> 10,633	(549) <u>10,974</u> 10,424	208

KEY PRIORITY: Move to a proactive approach to managing construction impacts resulting from population growth in our city

Strategic indicator	2017-18 Result	Comments
Reduction in complaints relating to construction sites.	Measures for council performance in this area are currently being developed to align with the Construction Management Review Project.	Moreland City Council are working to improve construction management in a variety of ways with the key lever to do this is via a Construction Management Plan. The plan is supported by Council's direction in the General Local Law 2018 and improved compliance and enforcement on building sites.

Major Initiatives	Progress
Construction Management Project – Due to a boom in residential construction, Council is looking at the best way to manage and minimise the impacts on residential amenity.	The Construction Management Project has been completed. The plan outlines how builders will manage residential concerns throughout the building process including noise, mud on roads and traffic management.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
Building and Capital Works	This service implements Council's Capital Works Program for buildings and structures and provides planning and advice for project proposals.	0	(1,115)	
		<u>960</u>	<u>1,002</u>	
		960	(112)	1,072
		Variance note: Revenue received by Council included several unbudgeted capital grants contributing to the capital works program.		

KEY PRIORITY:**Develop a clear and funded approach to achieve zero carbon emissions by 2040**

Strategic indicator	2017-18 Result	Comments
To set and implement a clear vision and strategy for zero carbon emissions by 2040.	Progressing	The 2020 Refresh to be adopted with the 2040 framework in Q2 2018/19.

Major Initiatives	Progress
ZCE 4.0 Framework (draft ZCE 2020 – 2040)	The draft 2020 Refresh was developed by Council and MEFL with input from over 100 stakeholders including the sustainable Moreland Advisory Group and the Brains Trust. Councillors have been briefed on progress on the development of the draft ZCE 2040 Framework on 20 March 2018, with the draft being circulated for review by Council officers and the MEFL Brains Trust.
ZCE action implementation via Moreland Energy Foundation Limited (MEFL)	<p>An annual report to Council outlining MEFL progress for ZCE was endorsed at the Council meeting on 13 June 2018; highlights included:</p> <ul style="list-style-type: none"> Solar for renters and apartments pilots launched and 29.8kW solar installed at 2 primary schools Council, MEFL and CERES – community environment park cohosted a community event on 23 February 2018 at Coburg Town Hall, which was attended by over 200 people.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
<i>Engineering Services</i>	This service develops and coordinates the detailed planning, design, tendering and construction of Council's road and drainage asset programs, and manages Councils' drainage network.	(106) 1,160 1,055	(1,039) 1,014 (24)	1,079
		Variance note: Revenue received by Council included some unbudgeted capital grants contributing to the capital program under this service.		
<i>City Strategy and Design</i>	This service is previously mentioned (Key Priority 1 of Strategic Objective 2: Progressive City)	Not applicable	Not applicable	Not applicable

KEY PRIORITY:**Invest in the revitalisation of shopping and trading precincts**

Strategic indicator	2017-18 Result	Comments
Investment in shopping and trading precincts.	Progressing – carry into outer years of the Council Plan	Implementation of Shopping Strip Renewal Program as per Council adopted program in progress and will continue over two financial years.

Major Initiatives	Progress
(On 9 May 2018) Council resolved revisions to the Shopping Strip renewal program including the design/preparation of construction drawings for this project to occur in 2018-2019 financial year and construction funds to be allocated over 2020-2021 and 2021-2022, this effectively resets the measure and target for this item.	A concept design was drafted in May 2018; this will be subject to further consultation and refinement in 2018-2019.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
<i>City Strategy and Design</i>	This service is previously mentioned (Key Priority 1 of Strategic Objective 2: Progressive City)	Not applicable	Not applicable	Not applicable
<i>Places / Economic Development</i>	This service is previously mentioned (Key Priority 3 of Progressive City)	Not applicable	Not applicable	Not applicable

Service Performance Indicators**Results**

Service Indicator / measure	2015	2016	2017	2018	Material Variation
See: Statutory Planning Key Priority 1 under Progressive City					





KEY PRIORITY: Strengthen and invest in the significant creative sector in Moreland and enhance its standing as a destination for the arts

Strategic indicator	2017-18 Result	Comments
To strengthen the significant creative sector in Moreland and enhance its standing as a destination for the arts.	93%	Result from the 2017-18 Local Government Community Satisfaction Survey relating to satisfaction with Council providing arts and culture opportunities.

Major Initiatives	Progress
Deliver on actions and commitments in the Moreland Arts and Culture Strategy, including actions to: <ul style="list-style-type: none"> i) enhance the capacity of Moreland's creative sector to maintain and grow their practice in the municipality ii) Increase access and engagement of community in Council's Arts and Culture program as both participants and audiences iii) Pilot an operational grants program for local Arts organisations and projects 	<ul style="list-style-type: none"> i) Arts and Culture Strategy adopted at 13 September 2017 Council Meeting. ii) All 18 actions within Arts and Culture Service Unit Plan were either achieved or ongoing. iii) Inaugural round of Arts Investment Grant program awarded grants to nine organisations in May 2018

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
Arts & Culture	This service is responsible for enhancing opportunities for artistic and cultural experiences by delivering, partnering or facilitating festivals and events, exhibitions and public art initiatives.	(147) 2,045 1,898	(243) 2,346 2,102	(205)



Julian Clavijo and his Albion Street (Brunswick)
public art piece 'Nature Before Profit'.

KEY PRIORITY:

Enhance the environmental outcomes of Council waste services and increase the community's awareness/participation in environmental initiatives to reduce waste to landfill

Strategic indicator	2017 -18 Result	Comments
Reduce waste to landfill.	44.18%	Diversion of waste to landfill in line with previous years.

Major Initiatives	Progress
Trial, education and implementation of initiatives to actively reduce waste to landfill.	The education program in parallel with a trial of public place recycling bins in shopping strips, will continue in 2018-19. The trial is progressing and will be evaluated, from learnings gathered and will inform whether the project will be scaled up.
Become a 'Plastic Wise' Council by banning all disposable plastic items at Council festivals and events.	In May 2018 Council resolved that the Waste and Litter Strategy be ready for adoption by Council at or before the end of the 2018 calendar year. To align with the 'plastic wise' approach, Festivals Moreland have updated their festival and events procedures to ban plastic bags and plastic disposable water bottles across the suite of Festivals Moreland-presented festivals and events.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
Street Cleansing	This service aims to maintain and enhance the quality of life for people who live and work in, and travel through Moreland, by improving the cleanliness and presentation of public spaces. This includes graffiti removal, pit and drain cleaning, street sweeping, street and park litter bin collection.	(103) <u>4,276</u> 4,173	(102) <u>4,297</u> 4,195	(22)
Waste Services	The waste collection service provides weekly domestic garbage and recycling collection, fortnightly green waste collection, and yearly kerb side hard waste collection.	(1,003) <u>13,216</u> 12,213	(644) <u>12,801</u> 12,157	56

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	252.36	314.10	239.51	263.91	A review of the data inputs to this measure were undertaken in 2017-18. The new methodology used for data collection include: i) Waste complaints ii) Garbage bins replaced. Excluded are the options which provided residents with flexibility, e.g. change in bin size and additional bins. These improvements will ensure a more robust dataset being used to inform the result.
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	13.24	14.00	13.29	12.96	This is an area of focus of improvement for Council, which will continue into 2018-19.
Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$80.27	\$100.41	\$96.68	\$90.69	Council commenced a new kerbside waste contract for part of the municipality in 2017-18.
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$57.93	\$41.49	\$31.59	\$38.40	Increased cost of recycling during 2017-18 due to the global issues impacting the whole recycling sector.
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	46.00%	45.12%	46.49%	44.18%	Council is placing an increased focus on waste and recycling education in 2018-19 as it works towards a zero waste Moreland.

STRATEGIC OBJECTIVE 3:

Responsible Council

1

KEY PRIORITY:

Improve resident satisfaction to 90% with Council's performance in customer service

Strategic indicator	2017-18 Result	Comments
Improved resident satisfaction with Council's performance in customer service.	88%	88% of respondents to the 2017-18 Local Government Community Satisfaction Survey were satisfied with Council's performance in the area of customer service. This result was an increase of 5 percentile points from prior year, which equates to a 6% increase.

Major Initiatives	Progress
Customer Service strategy – Improve resident satisfaction to 90% with Council's performance in customer service.	Progressing – A report on the draft internal Customer Service Strategy was presented to Council at the June Council meeting outlining the objectives, themes and key actions.
Continuous Improvement in service delivery – To improve overall service delivery by streamlining processes and improving the customer service experience.	Two service reviews completed as per program of works. Recommendations included streamlining processes, improvements to workflow and aligning structures.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	\$'000
Customer Service	This service is the primary public contact point for the organisation and is delivered through three citizen service centres, the telephone contact centre and other multi-media channels.	0	0	
		<u>2,297</u>	<u>2,375</u>	
		2,297	2,375	(79)

2

KEY PRIORITY: Reach the top 25% of all Councils for improved community satisfaction with Council's engagement practices

Strategic indicator	2017-18 Result	Comments
Improved community satisfaction with Council's engagement practices.	82%	According to the 2017-18 Local Government Community Satisfaction Survey, 82% of respondents were satisfied with Council's performance in the area of community consultation and engagement. This is an increase of 10 percentile points on the prior year result, which equates to a 14% increase.

Major Initiatives	Progress
Develop a revised Community Engagement Policy by end of financial year.	Progressing – The Community Reference group communicated to Council that they required additional time to ensure a more robust policy is achieved, which resulted in this action being reset to August 2018, to be carried into year two of the Plan.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	
Not applicable	No direct Council service supports this Council Plan priority, as the function of community engagement is currently spread across the organisation.	Not applicable	Not applicable	Not applicable

KEY PRIORITY:**Maintain and match our infrastructure to community needs and population growth**

Strategic indicator	2017-18 Result	Comments
Meeting our asset renewal rate.	i) 2017-18 Forecast = 127% 2017-18 Actual = 124% ii) Organisational KPI = 87%	i) Capital expenditure on asset renewal. Calculation of the renewal gap [Renewal and upgrade spend / depreciation] x 100 ii) 90% delivery of Council's Capital Works program

Major Initiatives	Progress
Wheatsheaf Hub – create an integrated community hub in Glenroy with a focus on education, lifelong learning and health, combined with a district level open space.	Progressing – A Concept Plan was adopted by Council at the 11 October 2017 Council meeting. Next steps include advocacy to seek external funding sources towards delivery of the project, which is continuing into 2018-19.
Saxon Street Hub – Implement Strategic Plan to guide future use and development of the space.	Progressing – Current 'Siteworks' activation of the site continues to grow numbers of people using the site. Results of Phase 1 community engagement reported to June Council meeting. Development of concept plan options is underway.
Merlynston Hall – Turn it into a useable community centre.	Completed – Building contract was awarded in November 2017, with the construction completed ahead of project plan timeframes.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
Asset Management	This service aims to provide sound stewardship of Council's \$1 billion asset base, undertaken through the development and implementation of Asset Management policies, strategies and plans and the provision of high quality Asset Management data to support informed decision making.	0 <u>774</u> 774	0 <u>759</u> 759	14
Building Maintenance	This service maintains Council buildings to appropriate standards.	0 <u>3,283</u> 3,283	(7) <u>3,414</u> 3,407	(124)
Fleet Services	This service provides a fleet management and maintenance service for over 600 items of plant and equipment.	(144) <u>3,592</u> 3,447	(327) <u>3,475</u> 3,148	299
Property Services	This service undertakes the management of Council-owned properties.	(1,896) <u>1,857</u> (39)	(1,870) <u>1,260</u> (609)	571
Civic Facilities	This service co-ordinates the provision of meeting rooms and Town Hall bookings including facility management, catering and security.	(234) <u>2,608</u> 2,373	(228) <u>2,515</u> 2,286	87

Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Roads Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	96.62%	102.04%	113.01%	114.77%	There has been an increase in requests from the community in recent years. Council has increased renewal expenditure on road infrastructure to meet community expectations, and while it may take some years to see a meaningful improvement in this measure, an increase in community satisfaction is already reflected within the 2017-18 Local Government Community Satisfaction Survey.
Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	96.00%	94.16%	94.34%	94.69%	This indicator has been improving incrementally over recent years, indicating that Council continues to invest in improving the overall condition of Moreland's local roads.
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$198.14	\$196.03	\$213.49	\$207.80	Many of Moreland's road reconstructions require the installation of underground stormwater drainage as part of the works, which is included within this unit rate. This contributes to the higher cost when 2017-18 Annual Report, Moreland City Council 103 compared to other Councils.
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$21.43	\$17.21	\$19.24	\$15.79	The scope of works was more in line with budget expectations, including reduced need for regulation works as encountered in 2016-17.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58.00	56.00	56.00	62.00	This result reflects a significant improvement in the community satisfaction of Moreland's local roads compared to recent years. It is envisaged that the ongoing investment in road renewal outlined in Council's Strategic Resource Plan will continue to improve community satisfaction in the longer term.

KEY PRIORITY:**Provide transparent and effective governance of Council's operations**

Strategic indicator	2017-18 Result	Comments
Improved satisfaction with decisions made in the interest of the community.	82%	An increase of 7 percentile points on the prior year's result, which equates to a 9% increase. Results are from the 2017-18 Local Government Community Satisfaction Survey.

Major Initiatives	Progress
Review of Meeting Procedure Local Law – To revise the local law to improve Governance outcome.	Following the public exhibition and consultation process, Council endorsed a new Meeting Procedure Local Law at its June 2018 Council meeting.
Review of the Local Government Act – Opportunity to input into State Government review.	Council's submission to the <i>Local Government Bill Exposure Draft</i> was endorsed at the March 2018 Council meeting, which enabled a formal response to be provided to Local Government Victoria by 16 March 2018.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	
<i>Governance</i>	This service undertakes the co-ordination and delivery of a range of governance, statutory and legal functions for Council, Councillors and the community.	(42) <u>2,199</u> 2,157	(310) <u>2,407</u> 2,097	60



Service Performance Indicators					
Results					
Service Indicator / measure	2015	2016	2017	2018	Material Variation
Governance Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100.	10.00%	8.21%	4.69%	5.04%	Council has consistently placed a strong emphasis on transparent decision making – allowing the community to stay informed and engaged. This commitment is reflected in the low percentage.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	54.00	57.00	53.00	60.00	Council engaged with a range of internal stakeholders and community members in 2017-18 to develop a new Community Engagement and Public Participation Policy (working name). Results are from the 2017-18 Local Government Community Satisfaction Survey.
Attendance <i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	83.00%	88.89%	96.26%	92.56%	Councillors are committed to active participation in decision-making and this is reflected in this high percentage. All attendance is recorded and reported on, ensuring accountability and transparency.
Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$44,574.28	\$46,238.51	\$46,397.91	\$48,188.64	Additional costs comprise the annual increase in Councillors' allowances as set by the Minister for Local Government each year and continued investment in Councillor development – particularly to support good governance.
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	55.00	54.00	59.00	While the improvement is encouraging, there is further work needed by Council in this area. Council continues to increase its transparency through the livestreaming of meetings and interaction with the community on a range of platforms. Results are from the 2017-18 Local Government Community Satisfaction Survey.

KEY PRIORITY: Operate without seeking an exemption from the rate cap through efficient use of Council's skills and financial resources

Strategic indicator	2017-18 Result	Comments
Council will not seek a rate exemption.	No rate exemption sought	Council 2017-18 budget adopted without the need to seek a rate exemption.

Major Initiatives	Progress
Service Innovation Initiative – Maintaining service levels, but increasing revenue opportunities or decreasing expenditure in a rate capped environment.	The 2018 program for collaboration has commenced, and regional progress has been made as planned for 2017-18. Work will continue in 2018-19 across the Northern Region.
Working with Regional Partners – Generate financial efficiencies, through collaboration and partnership opportunities.	The consolidated contract register with the Northern Region Councils has been prepared, with opportunities for collaboration identified. The 3-year plan of projects has commenced, with a focus on the first 12 months of implementation in 2017-18.

To find out more about our Family Day Care program visit moreland.vic.gov.au/family-day-care



Family Day Care services promote happy and healthy children throughout Moreland.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue	Actual revenue	Variance
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$'000	Total \$'000	
<i>Finance and Business Systems</i>	This service provides a range of financial services, including management of Council's finances, internal and external reporting, payments to suppliers of goods and services along with procurement and contracting services, and management of the valuation and rating of properties within the municipality and the collection of debts owed to Council.	(1,119) <u>3,896</u> 2,777	(638) <u>3,956</u> 3,317	(541)
<i>Corporate Finance</i>	This service undertakes the management of corporate level finances including loan interest repayments.	(6,777) <u>4,628</u> (2,149)	(7,819) <u>1,856</u> (5,962)	3,814
Variance note: A higher than budgeted level of Financial Assistance Grants were received and a Council had a positive result in interest earned from cash investments.				
<i>Organisation Performance</i>	This service supports and leads Council's corporate planning, continuous improvement, culture building, research, and organisational performance management.	0 <u>987</u> 987	0 <u>1,231</u> 1,231	(244)
<i>Human Resources</i>	This service provides a variety of human resource management services, including: advice to the organisation on human resources and employee relations issues; development and implementation of workplace agreements; facilitation of recruitment and selections, training and development, induction and performance management activities; and provision of employee payroll services.	0 <u>1,743</u> 1,743	(2) <u>1,670</u> 1,667	75
<i>Occupational Health and Safety (OH&S) and Risk Management</i>	This service includes provision of advice on OHS and Injury Management issues, including WorkCover claims and Return to Work Plans; facilitation and investigation of hazards, incidents and accidents, OHS & Risk training; and management of Councils insurances and risk registers.	(208) <u>2,886</u> 2,677	(114) <u>2,516</u> 2,401	275
<i>Marketing and Communications</i>	This service supports a number of corporate functions, including corporate communications and reputation management; community engagement; campaigns and external marketing; and internal communications.	0 <u>1,245</u> 1,245	(3) <u>1,174</u> 1,171	74
<i>Civic Leadership and general overheads</i>	Includes corporate costs related to civic leadership.	0 <u>2,830</u> 2,830	0 <u>3,217</u> 3,217	(387)

KEY PRIORITY: Enable Council's workforce to be mobile and accessible, supported by smart and efficient technologies

Strategic Indicator	2017-18 Result	Comments
Workforce feels more mobile and efficient.	Not available	New Staff culture survey questions, to be included in annual survey from 2018-19, will address this strategic indicator.

Progress of major initiatives in the Council Plan:	Status
IT Strategy – Set direction for IT resources allocation over 3 years and how this will add value to Moreland. Outcome will be more efficient use of time and money while addressing need for business intelligence and sustainable integration.	94% of staff are now using the new mobile devices. New Finance, Human Resources and Payroll system implementation is underway, which will better align reporting and staff efficiencies.

Services The following statement provides information in relation to the services funded in the 2017-18 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Budgeted revenue <u>Budgeted expenditure</u> Total \$'000	Actual revenue <u>Actual expenditure</u> Total \$'000	Variance \$'000
Information Technology and Records	This service provides, supports and maintains corporate communications and computing systems, facilities and infrastructure for Councillors, management, staff and users of our public internet services.	0 6,974 6,974	(62) 6,397 6,334	640
Variance note: Savings have been made in software maintenance costs of Council's financial systems.				



Council is responsible for approximately 75 school crossings with supervisors on every school day.

Governance and Management

Moreland City Council derives its power, role, purpose and functions from the *Victorian Constitution and the Local Government Act 1989*.

Council meetings

Decisions on issues affecting our community are made at our monthly Council meetings, where community members can observe the decision-making process.

We started live streaming Council meetings in 2015 to allow people to watch and listen to the meeting proceedings in real time online. This option offers greater access to Council decision-making and debate and encourages openness and transparency. The number of people watching the meetings online (both live and the recordings) continues to steadily increase.

Council met 22 times during the reporting period.

Councillor attendance at 22 council meetings 2017-2018

Cr Natalie Abboud	22/22
Cr Sue Bolton	22/22
Cr Annalivia Carli Hannan (Approved Leave of Absence 2 Meetings)	19/20
Cr Helen Davidson (Council Related Travel – 2 Meetings)	19/20
Cr Jess Dorney*	11/11
Cr Ali Irfanli (Approved Leave of Absence – 1 Meeting)	19/21
Cr John Kavanagh	19/22
Cr Dale Martin (Approved Leave of Absence – 1 Meeting)	18/21
Cr Samantha Ratnam†	9/9
Cr Mark Riley	21/22
Cr Lambros Tapinos (Approved Leave of Absence 3 Meetings)	16/19
Cr Oscar Yildiz JP	18/22

* Cr Dorney – Sworn in as Councillor 6 December 2017

† Cr Ratnam – Term as Councillor concluded 12 October 2017

Major committees

We have two major committees: the Urban Planning Committee and the Audit and Risk Management Committee.

Special committee

Urban Planning Committee

Until 21 June 2018, the Urban Planning Committee was a Special Committee established under section 86 of the *Local Government Act 1989* with delegated powers to consider matters related to planning, building, environmental health, property, roads and traffic in accordance with Council's obligations as outlined in the Council Plan and the legislative framework.

At its meeting on 30 October 2017, Council appointed all Councillors as members of the Urban Planning Committee. For the period July to October 2017 (inclusive), Cr Yildiz had resigned his membership.

The committee met 11 times to consider 35 reports in the reporting period.

Councillor attendance at 11 Urban Planning Committee meetings 2017-2018

Cr Natalie Abboud	10/11
Cr Sue Bolton	11/11
Cr Annalivia Carli Hannan*	10/10
Cr Helen Davidson	10/11
Cr Ali Irfanli†	10/10
Cr John Kavanagh	9/11
Cr Dale Martin°	8/10
Cr Samantha Ratnam~	3/3
Cr Mark Riley	10/11
Cr Lambros Tapinos^	8/10
Cr Oscar Yildiz	5/7
Cr Jess Dorney∞	6/6

* Carli Hannan – Leave of Absence – 3 April – 26 April 2017

† Cr Irfanli – Leave of absence – 4 August – 5 September 2017

° Cr Martin – Leave of absence – 10 March – 9 April 2018
Chair of UPC from November 2017

~ Cr Samantha Ratnam – resigned as Councillor and Chair UPC 12 October 2017

^ Cr Tapinos took an approved leave of absence from 19 June to 3 August 2017 (one meeting)

∞ Cr Jess Dorney – sworn in as Councillor 6 December 2017

On 11 June 2018, Council revoked the delegation and dissolved the Urban Planning Committee. Council decided that, in light of the significance of planning and development in Moreland, Planning and related matters would be considered at Council meetings where only Planning matters would be listed for consideration. This decision came into effect for the 21 June Council Meeting – Planning and Related Matters).

Audit and Risk Management Committee

The Audit and Risk Management Committee acts as an advisory committee to Council and is consistent with the requirements of the *Local Government Act 1989* and good corporate governance generally.

The purpose of the Committee is to provide a forum for communication between Council and senior management, finance, risk and compliance managers, internal auditors and external auditors. The committee also assists us in our oversight responsibilities by monitoring, reviewing and advising on:

- External reporting (including financial reporting)
- External and internal auditing
- Internal control and risk oversight and management
- Compliance with relevant laws and regulations
- Fraud (including corruption)
- Related-party transactions
- Performance reporting.

The Committee operates under a charter that was endorsed by Council on 10 May 2017.

From December 2017, the Committee comprised of seven members: an independent chair, three independent members and three Councillors.

During the year, John Watson was Committee chair. John Watson is one of four independent members of the Committee, along with Oliver Webb and two new members, Craig Burke and Joelle Tabone, who were appointed in December 2017.

Cr Samantha Ratnam, Cr Ali Irfanli and Cr Dale Martin were Councillor members for the September 2017 meeting. New Councillor members were appointed from December 2017: Cr John Kavanagh, Cr Natalie Abboud and Cr Annalivia Carli Hannan.

The Committee met four times in the reporting period.

Councillor expenses and allowances

Councillors are provided resources and support to undertake their duties, so they can serve, engage and act in the community's best interests.

Council may make available or pay for resources or reimburse claims for 'out-of-pocket' expenses.

The Victorian Government sets minimum levels of civic and resource support for Councillors in a Policy Statement on Local Government Mayoral and Councillor Allowances. Our *Councillor Support and Reimbursement Policy* also governs the level of expense and resources support provided.

A breakdown of Councillor expenses can be found on our website.

The *Local Government Act 1989* regulates the allowance payable to Mayors and Councillors in Victoria, setting minimum and maximum amounts. Each Council has discretion within an allowable range to determine how much it pays regarding local circumstances and priorities.

Following the election in 2016, Council reviewed the Mayor and Councillor allowances and set them at \$94,641 for the Mayor and \$29,630 for Councillors per annum respectively, subject to any changes provided for in the *Local Government Act 1989*.

Councillor Code of Conduct

The *Moreland Councillors Code of Conduct* is available on our website and was reviewed and adopted on 20 February 2017. The code sets out how Councillors interact and work with the community, Councillor colleagues and Council staff



Governance and Management Checklist

Results of Council's assessment against the prescribed governance and management checklist:

Governance and Management Items	Assessment	Outcome
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	YES : 21/09/2012
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES : 21/09/2012
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and nonfinancial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act	YES: 25/06/2018
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act	YES : 25/06/2018
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation	NO: A number of asset management plans are currently in draft, including Roads, Drainage, Buildings and Facilities, and Open Space. A program for collection of asset condition data is progressing, which is informing the development of each respective plan.
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	YES : 25/06/2018
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES : 24/11/2015
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES : 23/08/2013
9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>	YES : 03/02/2016

Governance and Management Items	Assessment	Outcome
10. Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i>	YES : 13/06/2018
11. Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation, with a new plan being developed	YES : 24/07/2015
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	YES : 25/10/2017
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES : 24/11/2015
14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act	YES : 24/03/2016
15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES : 1/09/2016
16. Performance reporting framework (a set of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation	YES : 24/07/2017
17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	YES : 24/07/2017
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act	YES : Q1 (2016/17 Financial Statements): Presented 27/09/2017 Q2 (September 2017): Presented 15/11/2017 Q3 (December 2018): Presented 14/02/2018 Q4 (March 2018): Presented 9/05/2018

Governance and Management Items	Assessment	Outcome
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES : Review undertaken May 2018
20. Performance reporting (sixmonthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented	YES : 25/10/2017 Half year results and quality control review of non – financial only (As per agreement with VAGO) : 22/05/18 Full year results (Post Auditor general review and approvals) :August 2018
21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act	YES : 25/09/2017
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act	YES : 20/02/2017
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer)	Delegations reviewed in accordance with section 98(6) of the Act	YES : 09/11/2016 (Council to CEO) have been delegated to members of staff) 13/09/2017 (Council to members of staff) 21/06/2018 (CEO to council staff)
24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act	YES : 13/06/2018

Statutory Information

Victorian and Federal Government investigations

We were not the subject of any Victorian or Federal Government investigations.

Documents available for public inspection

We are committed to open and transparent governance in accordance with the *Local Government Act 1989* (the Act) and the *Local Government (General) Regulations 2015*. The following documents are available for public inspection at Moreland Civic Centre, 90 Bell Street, Coburg:

1. Details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or member of council staff in the previous 12 months, including:
 - a. name of Councillor or member of Council staff
 - b. dates on which the travel began and ended
 - c. destination of the travel
 - d. purpose of the travel, and total cost to the Council of the travel, including accommodation costs.

2. Agendas and minutes of ordinary and special meetings held in the previous 12 months, which are kept under Section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.

These agendas and minutes are also available on our website.

3. Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.

These agendas and minutes are also available on our website.

4. Register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Act.
5. Details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
6. Register maintained under Section 224(1A) of the Act of authorised officers appointed under that section.
7. Donations and grants made by the Council in the previous 12 months, including the names of persons who or bodies that have received a donation or grant and the amount of each donation or grant.

Inspection of these documents can be arranged by contacting the Unit Manager Governance on 9240 1111.

Best Value

In accordance with section 208G of the Local Government Act, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles.

These require council services to:

- a. Meet high quality and cost standards
- b. Be responsive to community needs
- c. Ensure high levels of accessibility
- d. Achieve continuous improvement in its operation
- e. Consult with the community on service levels

During the 2018 Financial Year Moreland City Council implemented many initiatives to drive our performance and ensure our delivery on the Best Value Principles for the Moreland community.

1. Consultation and Engagement Framework

Moreland City Council has undertaken a 'fundamental rethink' of community engagement and public participation to guide an improvement in how we interact with the community. This process involved research, benchmarking and community consultation which has presented a new view of engagement for a healthy and just city. *The community are partners in shaping the future of Moreland, and engagement is the term we use for the activities in which we work together.*

The project involved redefining the working relationships between Council, the community, and the organisation of Moreland City Council, with a new policy framework to be adopted by December 2018.

2. Annual Service Planning and Budgeting

Service planning is a key way for our council to ensure that we are constantly improving the delivery of our services as well as delivering on the aims and objectives of our Council Plan. Beginning at the start of the financial year, Council introduced a new method of planning for service delivery. This new process combines planning, delivery and monitoring of our service performance on a monthly basis with stronger reporting of critical issues to our executive leadership team.

Our performance for the 2017-18 financial year was 91% completion or on-track status of our service plan objectives; up from 77% for the 2017-18 Financial Year.

In 2018-19 Council will be transitioning to an automated and streamlined process which will improve the efficiency of our planning as well as ensuring our service plan objectives are better integrated to meet our strategic outcomes.

In addition to our service planning process, a working group was established to review and streamline our overall Council budgeting process to support the implementation of our council plan and service delivery initiatives. The working group has had great success in improving the efficiency of the process and will continue their work into 2018-19 to automate and standardise some of the manual work required by the current processes.

3. Service Reviews

Throughout 2017-18 financial year, the Organisational Performance team conducted four targeted reviews of Council's key services to ensure they are providing Best Value in the performance of their operations.

The reviews identified a range of improvements, including opportunities to improve correspondence management processes and the need to keep current with Council's communication methods and put steps in place to ensure Council stays up to date in the digital space.

Initiatives that deliver social outcomes were also reviewed and have led to a framework being developed to work towards sustainable outcomes into the future from the community development perspective.

a. Mayor and Councillor Support

Our Mayor and Councillors are committed to hearing from the community, ensuring issues are managed and resolved through the Council's operations. To support these objectives, the processes of managing correspondence and appointments was analysed to ensure that they are providing the right level of support to our Mayor and Councillors and that community issues were being managed as efficiently and effectively as possible. As a result of the review, a number of key processes were redesigned to shorten the amount of time taken to respond to the community.

b. Communications

Moreland City Council's communications branch play a vital role in keeping our community informed and encouraging them to actively participate in civic issues. As society moves further towards online technology and service delivery, Moreland City Council identified the need to review our communication methods to guarantee that we have the systems and processes in place to meet this challenge. The review identified several key process steps which are to be addressed to support this change in 2018-19.

c. Waste Services

Waste collection and disposal services are among the most widely used Council services that Moreland provides to its community. During 2017-18 a detailed review was conducted of the service; specifically looking at the cost, quality, safety and consistency of service delivery. The recommendations of the review were presented back to Council with a view that the outcomes are to be agreed upon and implemented during the 2018-19 financial year.

d. Community Development & Social Policy

Moreland actively seeks new ways of connecting, partnering and working with the community to achieve healthy social outcomes for our municipality. The community development and social policy team play a lead active role in helping to support and drive community-led initiatives. This year a review was conducted to ensure that the team are focussing on initiatives that will deliver the best social outcomes with the resources available. Leading on from this work, a community development framework is being developed to ensure that the outcomes of the review will be sustained and continually improved into the future.

4. Continuous Improvement Program

Working across a broad range of departments and services, Council's Continuous Improvement and Information Technology teams supported projects large and small, improving how Council works and provides services to the community.

Fifteen continuous improvement activities were undertaken in the 2017-18 financial year, resulting in an estimated \$205,760 in annual savings, 2,934 labour hours saved, and process time reduced by 455 hours.

The savings in labour hours and process time have been redirected back into services for the Moreland community.

A major improvement was the holistic end-to-end digitisation of Council's statutory planning service.

Council also digitised private building surveyor lodgements. Switching from paper-based to digital removed a large amount of time spent manually handling and processing.

Redesigning Council's pet registration process also delivered large reductions in process time and reduced the need for customers to manually process requests through Council's call centre. Smarter and simpler ways of purchasing and awarding contracts also helped Council reduce costs in 2017-18.

Most importantly, the improvements made resulted in better outcomes for residents. These included more efficient handling and removal of abandoned vehicles, removal of manual planning approval printing costs, encouraging film and production crews into Moreland, easier access to pet registrations, and improved usage and communication of availability for Moreland's sporting fields.

Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) gives the community a legal right to access certain Council documents.

The *FOI Act* has four basic principles:

1. The public has a legal right of access to information.
2. Local governments are required to publish information concerning the documents they hold.
3. People may request that inaccurate, incomplete, out-of-date or misleading information in their personal records be amended.
4. People may appeal against a decision not to give access to the information or not to amend a personal record.

We respond to requests directly related to our operations. There were 60 FOI requests received in 2017-2018 (2016/2017 = 105). Where requests for documents were partially granted, the most common exemption clause in the requests granted in part was Section 33(1), which relates to the unreasonable disclosure of information relating to the personal affairs of any person.

In accordance with the FOI Act, Council has submitted its report on the operation of the FOI Act for inclusion in the annual report of the Freedom of Information Commissioner to Parliament.

Accessing FOI

Requests to access FOI must be in writing and accompanied by an application fee of \$28.40 (2017/2018) or \$28.90 (2018/2019).

From 1 September 2017, when a FOI request is received, a decision about the release of documents must be made within 30 days. Where a decision is made to refuse or defer access, the applicant is notified in writing of the reasons for the refusal and the procedures available to appeal the decision.

More information about Freedom of Information can be found at www.foi.vic.gov.au and on our website.

Local laws

In December 2017 Council adopted the General Local Law 2018. This new local law replaced the Environmental and Civic Assets Local Law 2014 and Moreland City Council General Local Law 2007. The General Local Law 2018 came into effect 1 February 2018.

Council also adopted a new Meeting Procedure Local Law 2018 in June 2018.

Whistleblower legislation

The purpose of the *Protected Disclosure Act 2012* (the Act) is to encourage and facilitate disclosures of improper conduct by Council officers or Councillors. The Act provides protection to whistleblowers that make disclosures in accordance with the Act, and establishes a system for the matters to be investigated and rectifying action to be taken. As required by Section 58 of the Act, we have developed disclosure procedures, which can be found on Council's website.

During the reporting period, there were no disclosures notified to the Independent Broad-based Anticorruption Commission (IBAC).

All correspondence, phone calls or emails from internal or external whistleblowers should be addressed to Moreland City Council's Protected Disclosure Coordinator on phone 9240 2440 or email owright@moreland.vic.gov.au.

Information Privacy Policy

We believe that the responsible handling of personal information is a key aspect of good democratic governance and we are committed to protecting every individual's right to privacy. Accordingly, we are committed to full compliance with our obligations under the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001* (the Acts). In particular, we comply with the Information Privacy Principles (IPPs) and Health Privacy Principles (HPPs) contained in the Acts. Our policy applies to all personal information held by Council.

For example, we hold personal, and in some cases, sensitive information on our local citizens and ratepayers (for example, names and addresses) to carry out our functions (for example, planning, valuation and property services). We may also request personal information to provide education, welfare and other community services (for example, childcare services). In some instances, personal information may be contained on a public register (for example, register of building permits, food premises and animal registration details).

Our *Information Privacy Policy* applies to all our employees, Councillors and contractors to Council.

Training and awareness sessions, local procedures and a policy manual ensure personal information is protected and strong security frameworks around its use and disclosure are provided.

Any person wishing to access their personal information should contact Council's Privacy Officer on phone 9240 1111. If any citizen believes that their personal information is inaccurate, incomplete or out of date, they may request Council to correct the information. If any citizen feels aggrieved by our handling of their personal information, they may make a complaint to Council's Privacy Officer. The complaint is investigated as soon as possible and a written response is provided. Alternatively, any person may make a complaint to the Privacy Commissioner.

During the reporting period, one complaint was referred to us by the Commissioner for Privacy and Data Protection.

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the Act. Council also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Disability Access and Inclusion Plan

In accordance with section 38 of the Disability Act 2006, Council has prepared a Disability Access and Inclusion plan (2016-20) and implemented the following initiatives in 2017-18:

- Delivered a suite of National Disability Insurance Scheme (NDIS) transition activities including twenty-three information sessions and workshops for people with disabilities. The highlight was a disability services expo run in May which attracted 600 residents and showcased 80 providers.
- Developed a capital works program to retrofit existing buildings for access. Notable works include the upgrade of Brunswick Town Hall and the addition of accessible and ambulant toilets at Mutton reserve, Campbell and Raeburn pavilions.
- Through the Metro Access program worked in partnership with Women with Disability Victoria to deliver 'Enabling Women' – a leadership program for women with disabilities. The Metro Access program has also worked in partnership with Maribyrnong City Council to deliver Bandmates – an inclusive arts program which increases people with disability's access to live music.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council prepares a Domestic Animal Management Plan every four years and evaluates its implementation annually.

The *Domestic Animal Management Plan 2017-21* was adopted by Council in December 2017. The majority of Year One actions have been completed, with a small number of actions currently in progress for completion.

Food Act – Food Act Ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. Council did not receive any Ministerial Directions during the financial year.

Road Management Act Ministerial direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial direction in its annual report. Council did not receive any Ministerial Directions during the financial year.

Infrastructure and development contributions

Council introduced a Development Contributions Plan in 2015. In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting agency must prepare and give a report to the Minister for Planning on development contributions, including levies and works in kind. For the 2017-18 year the following information about development contributions is disclosed (see over page).



Moreland's Maternal and Child Health Service supports families in the areas of parenting, health and development.

Development Contributions Plan (DCP) Reporting

Table 1 - Total DCP levies received in (year)

Council	DCP name	Year approved	Levies received in 2017-18 financial year (\$)
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	\$2,067,354

Table 2 - DCP land, works, services or facilities accepted as works-in-kind in (year)

Council	DCP name	Year approved	Project ID	Project description	Item purpose	Project value (\$)
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	-	-	-	\$0.00

Table 3 - Total DCP contributions received and expended to date
(for DCPs approved after 1 June 2016)

Council	DCP name	Year approved	Total levies received (\$)	Total levies expended (\$)	Total works-in-kind accepted (\$)	Total DCP contributions received (levies and works-in-kind) (\$)
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	\$5,210,697	\$4,126,506	\$0.00	\$5,210,697

Table 4 – Land, works, services or facilities delivered in (year) from DCP levies collected

Council	DCP name	Year approved	Project description	Project ID
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	COBURG STREET RENNIE-HARDWICK-BOTH CARRIAGEWAYS COBURG	RD0018
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	COBURG STREET HARDWICK-CHANGE OF WIDTH COBURG	RD0024
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	COBURG STREET CHANGE OF WIDTH-WALSH COBURG	RD0025
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	THE GROVE GROVE DE CARLE-BARROW COBURG	RD0035
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	BROCKLEY ROAD LORNE-ARGYLE FAWKNER	RD0064
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	THE GROVE GROVE SYDNEY-DE CARLE COBURG	RD0168
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	CROZIER STREET COLE-NICHOLSON COBURG	RD0181
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	OAK PARK PAVILLION REPLACEMENT, OAK PARK SPORTS CENTRE 563A, PASCOE VALE	CF006
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	ROBINSON RESERVE PUBLIC TOILETS 104A REYNARD ST, COBURG	CF016
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	CHARLES MUTTON RESERVE PUBLIC TOILETS, 86 LORNE ST FAWKNER	CF022
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MORRIS RESERVE PAVILLION 11 BRENTWOOD AVE, PASCOE VALE	CF026
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	CORAL STREET PERRETT-DEAD END BRUNSWICK WEST	RD0032
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	WALSH STREET CHAMBERS-SYDNEY COBURG	RD0077
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MCKEON AVENUE DEAD END-HILLVIEW PASCOE VALE	RD0165
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	GRANT STREET DONALD-DAVIES BRUNSWICK	RD0192
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	WALSH STREET PATTERSON-BARROW COBURG	RD0215
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	NORTHGATE STREET BOLINGBROKE-OHEA PASCOE VALE SOUTH	RD0218

	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered %
	52,091	-	213,094	-	265,185	100%
	11,906	-	28,555	-	40,461	100%
	44,649	-	149,320	-	193,969	100%
	210,610	-	338,624	-	549,234	100%
	-361	-	26,594	-	26,233	100%
	65,768	-	168,439	-	234,207	100%
	0	-	428,356	-	428,356	100%
	98,216	-	18,155,516	-	18,253,732	100%
	10,269	-	61,258	-	71,527	100%
	3,018	-	235,646	-	238,664	100%
	0	-	14,386	-	14,386	3%
	7,184	-	26,186	-	33,370	100%
	18,618	-	3,708	-	22,326	100%
	44,422	-	346,836	-	391,258	100%
	2,062	-	9,437	-	11,499	100%
	2,808	-	5,126	-	7,934	100%
	687	-	298,962	-	299,649	100%

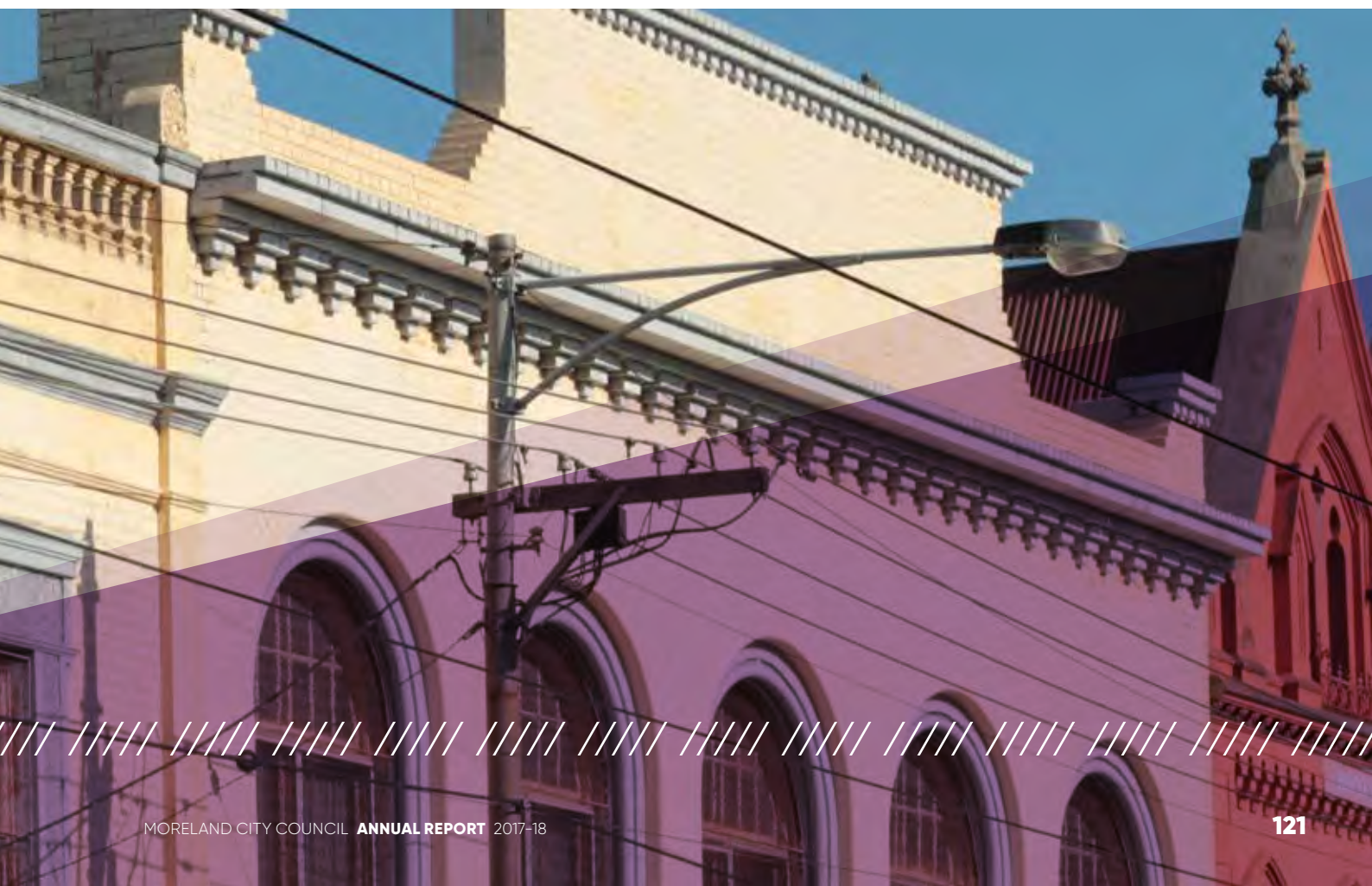
Council	DCP name	Year approved	Project description	Project ID
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	HARTINGTON STREET CORRIGAN-MELBOURNE GLENROY	RD0224
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	PERRETT STREET MORELAND-DEAD END BRUNSWICK WEST	RD0301
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	TUDOR STREET WATERLOO-PLUMPTON GLENROY	RD0302
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	SMITH STREET FAME-BAKERS COBURG NORTH	RD0325
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MAJOR ROAD WILLIAM-DOWLING FAWKNER	RD0351
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	HARTINGTON STREET MELBOURNE-MARLBOROUGH GLENROY	RD0352
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	COLE CRESCENT HARDING-GRANT COBURG	RD0430
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MITCHELL PARADE VAUX-HACKETT PASCOE VALE SOUTH	RD0433
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	VAUX STREET REYNOLDS-GALLIPOLI PASCOE VALE SOUTH	RD0436
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MITCHELL PARADE HACKETT-THISTLE PASCOE VALE SOUTH	RD0464
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	SCHOOL COURT BARAK-DEAD END OAK PARK	RD0486
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	GLEN STREET BINDI-VIEW GLENROY	RD0552
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	ROSE STREET PRINCES-BREARLEY COBURG	RD0597
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MITCHELL PARADE REYNARD-LE CATEAU PASCOE VALE	RD0601
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	BRUCE STREET MUNRO-REYNARD COBURG	RD0606
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	QUEEN STREET MORELAND-LEVER COBURG	RD0650
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	ROSE STREET BREARLEY-BELL COBURG	RD0668
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	NORTHGATE STREET OHEA-CLEVE PASCOE VALE SOUTH	RD0706

	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered %
	3,000	-	17,681	-	20,681	100%
	55,947	-	466,535	-	522,482	100%
	18,826	-	494,408	-	513,234	100%
	2,933	-	9,375	-	12,308	100%
	-906	-	27,646	-	26,740	100%
	2,833	-	23,670	-	26,503	100%
	49,985	-	270,646	-	320,631	100%
	2,061	-	33,682	-	35,743	100%
	5,286	-	254,439	-	259,725	100%
	705	-	299,295	-	300,000	100%
	1,423	-	11,119	-	12,542	100%
	6,024	-	104,721	-	110,745	100%
	7,073	-	16,234	-	23,307	100%
	5,515	-	60,472	-	65,987	100%
	9,431	-	33,366	-	42,797	100%
	45,858	-	894,914	-	940,772	100%
	6,079	-	18,469	-	24,548	100%
	373	-	122,579	-	122,952	100%

Council	DCP name	Year approved	Project description	Project ID
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MITCHELL PARADE THISTLE-BELL PASCOE VALE SOUTH	RD0791
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	MCDUGALL STREET JUKES-MURRAY FAWKNER	RD0802
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	WATT AV DEVON-HARRA PASCOE VALE & OAK PARK	RD0825
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	WATT AV HARRA-MALCOLM OAK PARK	RD0832
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	ROW-REAR 44 CLIFF LANE WENDEL - REAR 28 CLIFF: BOTH CARRIAGEWAYS BRUNSWICK	RD1234
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	SYDNEY ROAD STREETSCAPE: COBURG	RD0001
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	GREGORY STREET WINIFRED-DEAD END OAK PARK	RD0427
Moreland City Council	Moreland Development Contributions Plan (Amendment C133)	2015	GLENROY RD - GLENROY; WIDFORD - WHEATSHEAF: BOTH CARRIAGEWAYS GLENROY	RD1191
Total				



	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered %
	6,832	-	256,964	-	263,796	100%
	-501	-	39,484	-	38,983	100%
	3,030	-	19,762	-	22,792	100%
	2,195	-	14,310	-	16,505	100%
	30,102	-	185,312	-	215,414	100%
	137,608	-	453,454	-	591,062	11%
	-	-	19,223	-	19,223	10%
	-	-	33,292	-	33,292	33%
	\$973,658.95	\$0.00	\$24,691,095.09	\$0.00	\$25,664,754.04	



Financial Report



A plain English guide to the Financial Report	124	Note 4: Our financial position	145
Certification of the Financial Statements	127	4.1 Financial assets	145
Independent Auditor's Report for the Financial Report	128	4.2 Non-financial assets	147
Financial Statements 130		4.3 Payables	147
Comprehensive Income Statement	130	4.4 Interest bearing liabilities	148
Balance Sheet	131	4.5 Provisions	149
Statement of Changes in Equity	132	4.6 Financing arrangements	150
Statement of Cash Flows	133	4.7 Commitments	151
Statement of Capital Works	134	Note 5: Assets we manage	152
Notes to the Financial Report 135		5.1 Non-current assets classified as held for sale	152
Note 1: Performance against budget	136	5.2 Property, infrastructure, plant and equipment	153
1.1 Income and expenditure	136	5.3 Investments in associates, joint arrangements and subsidies	160
1.2 Capital works	138	5.4 Investment property	160
Note 2: Funding for the delivery of our services	140	Note 6: People and relationships	161
2.1 Rates and charges	140	6.1 Council and key management remuneration	161
2.2 Statutory fees and fines	140	6.2 Related party disclosure	163
2.3 User fees	140	Note 7: Managing uncertainties	164
2.4 Funding from other levels of government	141	7.1 Contingent assets and liabilities	164
2.5 Contributions	142	7.2 Change in accounting standards	164
2.6 Net loss on disposal of property, infrastructure, plant and equipment	142	7.3 Financial instruments	165
2.7 Other income	142	7.4 Fair value measurement	166
Note 3: The cost of delivering services	143	7.5 Events occurring after balance date	167
3.1 Employee costs	143	Note 8: Other matters	168
3.2 Materials and services	144	8.1 Reserves	168
3.3 Depreciation and amortisation	144	8.2 Reconciliation of cash flows from operating activities to surplus	170
3.4 Bad and doubtful debts	144	8.3 Superannuation	171
3.5 Borrowing costs	145		
3.6 Other expenses	145		

A plain English guide to the Financial Report

Introduction

The Financial Report is a key report presented by the local government of Moreland. It shows how we performed financially during the financial year and the overall position at the end of the financial year (30 June 2018).

Our financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*. Particular terms required by the standards may not be familiar to some readers. Further, we are a 'not-for-profit' organisation and some of the generally recognised terms used in private sector company reports are not appropriate to our reports.

We are committed to accountability. It is in this context that a plain English guide has been developed to assist readers to understand and analyse the financial report.

What is contained in the annual Financial Report?

Our Financial Report has two main sections: the report and the notes. There are five statements and eight notes. These are prepared by our staff, audited by the Victorian Auditor-General, examined by the Audit Committee and then approved and adopted by Council.

The five statements are included in the first few pages of the report. They are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.

The notes detail our accounting policies and the make-up of values contained in the statements.

Comprehensive Income Statement

The comprehensive income statement shows:

- the sources of our revenue under various income headings, and
- the expenses incurred in running Council during the year.

The expenses relate only to the 'operations' and do not include the cost associated with the purchase of or the building of assets. While asset purchase costs are not included in the expenses there is an item for 'depreciation'. This amount is the value of the assets used up during the year.

The key figure to look at is the surplus or deficit of Council for the year. A surplus means that the revenue was greater than the expenses and a deficit means that the expenses were greater than the revenue.

Balance Sheet

The balance sheet is a snapshot of the financial position as at 30 June. It shows what we own as assets and what we owe as liabilities. Towards the bottom of the balance sheet is a line showing net assets. This is the net worth of Council, which has been built up over many years.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months.

The components of the balance sheet are described here.

Current and non-current assets

- Cash and other financial assets include cash and investments, that is, cash held in the bank and in petty cash and the market value of our investments.
- Receivables are monies owed to us by ratepayers and others.
- Non-current financial assets represent the value of shares held by us.
- Investment property represents the value of property owned by us as investment.
- Property, infrastructure, plant and equipment is the largest component of our worth and represents the value of all the land, buildings, roads, vehicles, equipment and so on, which has been built up by us over many years.

Current and non-current liabilities

- Payables are those to whom we owe money as at 30 June.
- Provisions include accrued long service and annual leave owed to employees.
- trust funds represent monies held in trust by us.
- Loans represent our outstanding borrowings.

Net assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June.

Total equity

This always equals net assets. It is made up of the following components:

- asset revaluation reserve is the difference between the previously recorded value of assets and their current valuations
- other reserves are allocations of the accumulated surplus to specific activities, and;
- accumulated surplus is the value of all surpluses and deficits accumulated over time.

Statement of Changes in Equity

During the year, the value of total ratepayer's equity as set out in the balance sheet changes. This statement shows the values of such changes and how these changes arose. The main reasons for a change in equity stem from:

- a surplus or deficit from operations for the year
- the use of monies from our reserves, and
- revaluation of the assets; this takes place on a regular basis and also occurs when existing assets are taken up in the books for the first time.

Statement of Cash Flows

The cash flow statement summarises our cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care in analysis. The values may differ from those shown in the income statement as it is prepared on a cash accounting basis and the income statement is prepared on an accrual basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested in term deposits or with funds managers.

Our cash arises from, and is used in, three main areas:

- Cash flows from operating activities:
 - Receipts – all cash received into our bank account from ratepayers and others who owed money to us. Receipts also include the interest earnings from our cash investments. It does not include the costs associated with the sale of assets.
 - Payments – all cash paid by us from our bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.
- Cash flows from investing activities
 - this section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.
- Cash flows from financing activities
 - this is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the cash flow statement states the cash held at the end of the financial year. This shows our capacity to meet our cash debts and other liabilities.

Statement of Capital Works

The statement of capital works details all amounts expended by council on capital works. The statement classifies the expenditure in line with Council's asset classes.

It categorises capital works expenditure into renewal of assets, upgrading of assets, expansion of assets or creating new assets. Each of these categories has a different impact on Council's future costs.

Notes to the accounts

The notes are a very important and informative section of the report. The accounting standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established it is necessary to provide details of Council's accounting policies. These are described throughout the notes as relevant.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the comprehensive income statement, balance sheet, statement of cash flows and statement of capital works.

Where we wish to disclose other information, which cannot be incorporated into the statements, it is shown in the notes.

Other notes include:

- the breakdown of expenses, revenues, reserves and other assets
- contingent liabilities, and
- transactions with persons related to Council.

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her or his opinion, the financial statements have met all the statutory and professional reporting requirements.

The certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the financial statements present fairly the financial transactions of Council.

Auditor General's report

The independent audit report provides the reader with an external and independent opinion on the financial statements. It confirms that the financial report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of our financial affairs.

Council's main office

90 Bell Street Coburg, Victoria 3058

External auditor

Auditor-General of Victoria

Internal auditor

Crowe Horwath

Solicitors

Various

Bankers

Commonwealth Bank of Australia

Website address

moreland.vic.gov.au

Certification of the Financial Statements

Certification of the Financial Statements

In my audit of the accompanying financial statements have been prepared in accordance with the Local Government Act 1988, The Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.



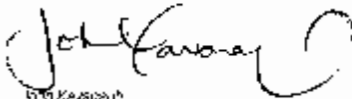
Elizabeth Rowland Certified Practising Accountant
Principal Accounting Officer

Date: 12 September, 2018
Colony

In our opinion the accompanying financial statements present fairly the financial transactions of Moreland City Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

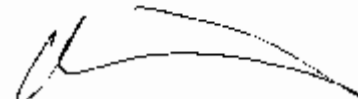
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



John Kavanagh
Mayor and Councillor

Date: 12 September, 2018
Colony



Wayne Gibbard
Deputy Mayor and Councillor

Date: 12 September, 2018
Colony



Andre Di Lorenzo
Chief Executive Officer

Date: 12 September 2018
Colony

Page 1

Independent Auditor's Report

To the Councillors of Moreland City Council

Opinion	<p>I have audited the accompanying performance statement of Moreland City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2018• sustainable capacity indicators for the year ended 30 June 2018• service performance indicators for the year ended 30 June 2018• financial performance indicators for the year ended 30 June 2018• other information and• the certification of the performance statement. <p>In my opinion, the performance statement of Moreland City Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

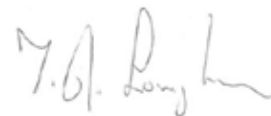
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
21 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Financial Statements

Comprehensive Income Statement

For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	141,484	138,259
Statutory fees and fines	2.2	12,130	11,712
User fees	2.3	7,251	8,817
Grants - operating	2.4	18,300	19,872
Grants - capital	2.4	3,437	2,075
Contributions - monetary	2.5	18,240	16,574
Contributions - non monetary	2.5	25,360	1,434
Fair value adjustments for investment property	5.4	6,677	-
Other income	2.7	7,124	6,784
Total income		240,004	205,527
Expenses			
Employee costs	3.1	81,256	78,798
Materials and services	3.2	58,385	55,571
Depreciation	3.3	24,139	23,476
Bad and doubtful debts	3.4	3,126	1,502
Borrowing costs	3.5	2,188	2,018
Other expenses	3.6	169	191
Net loss on disposal of property, infrastructure, plant and equipment	2.6	7,347	3,345
Fair value adjustments for investment property	5.4	-	2,807
Total expenses		176,609	167,708
Surplus for the year		63,395	37,818
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	5.2	146,370	-
Comprehensive result		209,764	37,818

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

Balance Sheet

As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	49,906	49,462
Trade and other receivables	4.1	19,792	22,061
Other financial assets	4.1	56,000	59,700
Inventories	4.2	242	179
Non-current assets classified as held for sale	5.1	-	600
Other assets	4.2	1,315	1,042
Total current assets		127,256	133,045
Non-current assets			
Unlisted shares	5.3	2	2
Property, infrastructure, plant and equipment	5.2	2,068,231	1,866,188
Investment property	5.4	32,652	25,975
Other assets	4.2	1,890	2,126
Total non-current assets		2,102,775	1,894,291
Total assets		2,230,031	2,027,336
Liabilities			
Current liabilities			
Trade and other payables	4.3	12,863	20,689
Trust funds and deposits	4.3	3,516	3,096
Provisions	4.5	19,122	18,490
Interest-bearing loans and borrowings	4.4	1,090	7,566
Total current liabilities		36,590	49,841
Non-current liabilities			
Provisions	4.5	1,806	1,288
Interest-bearing loans and borrowings	4.4	35,316	39,661
Total non-current liabilities		37,122	40,949
Total liabilities		73,712	90,790
Net Assets		2,156,318	1,936,546
Equity			
Accumulated surplus		586,499	523,563
Asset revaluation reserve		1,500,589	1,354,219
Other reserves	8.1	69,231	58,763
Total Equity		2,156,318	1,936,546

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

Statement of Changes in Equity

As at 30 June 2018

2018	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,936,546	523,563	1,354,219	58,763
Recognition of previously unrecognised non-current assets					
- Infrastructure assets		258	258	-	-
- Land assets		9,750	9,750	-	-
Surplus/(deficit) for the year		63,395	63,395	-	-
Net asset revaluation increment/(decrement)	8.1	146,370	-	146,370	-
Transfers to other reserves	8.1	-	(34,702)	-	34,702
Transfers from other reserves	8.1	-	24,235	-	(24,235)
Balance at end of the financial year		2,156,318	586,499	1,500,589	69,231

2017	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,895,886	502,594	1,354,219	39,073
Recognition of previously unrecognised non-current assets					
- Infrastructure assets		4,085	4,085		
- Building assets		(3,605)	(3,605)		
- Animal Shelter prepayment		2,362	2,362		
Surplus/(deficit) for the year		37,818	37,818	-	-
Net asset revaluation increment/(decrement)	8.1	-	-	-	-
Transfers to other reserves	8.1	-	(27,176)	-	27,176
Transfers from other reserves	8.1	-	7,485	-	(7,485)
Balance at end of the financial year		1,936,546	523,563	1,354,219	58,763

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

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		143,553	137,577
Statutory fees and fines		10,029	11,250
User fees		8,679	9,144
Grants operating		20,113	21,859
Grants capital		3,781	2,282
Contributions - monetary		19,812	17,837
Interest		3,665	3,229
Trust funds and deposits taken		19,252	15,947
Other receipts		4,171	4,233
Net GST refund		7,714	6,239
Materials and services		(72,670)	(56,973)
Employee costs		(88,137)	(86,049)
Trust funds and deposits repaid		(18,833)	(14,520)
Other payments		(185)	(199)
Net cash provided by operating activities	8.2	60,944	71,856
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(51,451)	(30,088)
Proceeds from sale of property, infrastructure, plant and equipment		260	3,476
Payments for other financial assets		3,700	(35,700)
Net cash used in investing activities		(47,491)	(62,312)
Cash flows from financing activities			
Finance costs		(2,188)	(2,018)
Repayment of interest bearing loans and borrowings		(10,822)	(1,670)
Net cash used in financing activities		(13,009)	(3,688)
Net increase in cash and cash equivalents		444	5,857
Cash and cash equivalents at the beginning of the financial year		49,462	43,605
Cash and cash equivalents at the end of the financial year	4.1 (a)	49,906	49,462
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

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

Statement of Capital Works

For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Property			
Land		691	56
Buildings		18,546	4,881
Total property		19,238	4,937
Plant and equipment			
Plant, machinery and equipment		2,236	1,187
Fixtures, fittings and furniture		227	135
Computers and telecommunications		1,184	1,057
Library books		1,033	1,003
Total plant and equipment		4,680	3,383
Infrastructure			
Roads		5,530	4,246
Bridges		205	1,452
Footpaths and cycleways		3,742	2,580
Drainage		2,867	3,262
Other infrastructure		6,245	4,014
Total infrastructure		18,590	15,554
Total capital works expenditure		42,507	23,874
Represented by:			
New asset expenditure		12,643	4,627
Asset renewal expenditure		19,578	12,300
Asset expansion expenditure		-	463
Asset upgrade expenditure		10,286	6,484
Total capital works expenditure		42,507	23,874

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

Notes to the Financial Report

For the Year Ended 30 June 2018

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

(b) Rounding

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.

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 24 July 2017. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and Expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Revenue				
Rates and charges	140,877	141,484	607	1
Statutory fees and fines	11,100	12,130	1,030	2
User fees	6,434	7,251	817	3
Grants – Operating	14,467	18,300	3,833	4
Grants – Capital	1,886	3,437	1,551	5
Contributions – cash	12,340	18,240	5,900	6
Contributions – non-monetary assets	-	25,360	25,360	7
Other income	5,634	7,124	1,490	8
Fair value adjustments for investment property	-	6,677	6,677	9
Total revenues	192,738	240,004	47,266	
Expenses				
Employee costs	84,817	81,256	3,561	10
Materials and services	53,784	58,385	(4,601)	11
Bad and doubtful debts	1,350	3,126	(1,776)	12
Depreciation and amortisation	25,192	24,139	1,053	
Finance costs	1,947	2,188	(241)	13
Other expenses	686	169	517	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	7,347	(7,347)	14
Total expenses	167,776	176,609	(8,833)	
Net surplus (deficit)	24,962	63,395	38,433	

(i) Explanation of material variations

Ref	Item	Explanation
1	Rates and charges	Unanticipated supplementary rate income.
2	Statutory fees and fines	Better than anticipated results in Planning permit revenues and Perin Court recoveries.
3	User fees	Registration and Building services fees, Dog Act, right of way closures, waste management services and Court fines had increased activity for the financial year.
4	Grants - Operating	Commonwealth Financial Assistance Grants instalment relating to 2018/19 was received in advance on 30 June 2018.
5	Grants - Capital	Unbudgeted State Government grants to construct Netball courts within Moreland were received during the year.
6	Contributions - cash	Sub-divider contributions and revenue for the Developer Contribution Plan were higher than anticipated due to increased development activity.
7	Contributions - non-monetary assets	This variance is due to the recognition of Gazetted assets from other government entities during the year for which Council has now accepted on-going responsibility. This was initiated by Land Data Victoria who performed a data integrity review of their land register.
8	Other income	Higher than budgeted cash contributions have provided extra funds to invest, leading to higher than anticipated interest revenue on investments.
9	Fair value adjustments for investment property	Market valuations undertaken for Council's investment properties by qualified valuers, resulted in this overall increase.
10	Employee costs	Employee costs are below budget due to vacant positions.
11	Materials and services	The primary reasons for this variance are use of agency staff to fill staff vacancies, higher than budgeted consultancy costs and expenditure originally budgeted as part of the capital program which were actually operating in nature.
12	Bad and doubtful debts	At balance date debtors were assessed for recoverability. As a result the increase in the provision for parking debtors was higher than budget.
13	Finance costs	Council incurred loan exit fees, including \$ 295k of interest, as a result of the early repayment of a loan.
14	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Some infrastructure assets were disposed with no proceeds.

1.2 Capital Works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land	-	691	(691)	1
Buildings	24,469	18,546	5,923	2
Total Property	24,469	19,238	5,231	
Plant and Equipment				
Plant, machinery and equipment	1,405	2,236	(831)	3
Fixtures, fittings and furniture	183	227	(44)	
Computers and telecommunications	1,012	1,184	(172)	
Library books	1,034	1,033	1	
Total Plant and Equipment	3,634	4,680	(1,046)	
Infrastructure				
Roads	11,936	5,530	6,406	4
Bridges	120	205	(85)	
Footpaths and cycleways	2,021	3,742	(1,721)	5
Drainage	1,048	2,867	(1,819)	6
Other infrastructure	8,150	6,245	1,905	7
Total Infrastructure	23,275	18,590	4,685	
Total Capital Works Expenditure	51,378	42,507	8,871	
Represented by:				
New asset expenditure	7,578	12,643	(5,065)	8
Asset renewal expenditure	32,021	19,578	12,443	9
Asset expansion expenditure	1,600	-	1,600	10
Asset upgrade expenditure	10,179	10,286	(107)	
Total Capital Works Expenditure	51,378	42,507	8,871	

(i) Explanation of material variations

Ref	Item	Explanation
1	Land	Council undertook an unbudgeted purchase of a parcel of land to increase the level of open space within Moreland.
2	Buildings	Several building projects have been delayed or are continuing into 2019, the completion of the City Oval pavilion works, the Oak Park precinct and a pavilion at Dunstan Reserve.
3	Plant, machinery and equipment	A portion of the 2018 capital expenditure in fleet occurred in 2017 due to available savings from other programs enabling the program to be brought forward.
4	Roads	Council budget to reconstruct and rehabilitate roads (\$6.7 million of total roads budget). As part of these projects, a significant portion of this expenditure is capitalised as drainage assets.
5	Footpaths and cycleways	Council budget to reconstruct and rehabilitate roads (\$6.7 million of total roads budget). As part of these projects, a portion of this expenditure is capitalised as footpath and cycleway assets.
6	Drainage	Council budget to reconstruct and rehabilitate roads (\$6.7 million of total roads budget). As part of these projects, a significant portion of this expenditure is capitalised as drainage assets.
7	Other infrastructure	The City Oval landscaping works have been delayed and remain as work in progress. A large portion of the other infrastructure expenditure was operational in nature.
8	New asset expenditure	New assets including buildings at Oxygen Youth Facility were completed during 2018, these costs, coupled with costs from opening Work In Progress, caused the capitalised value to be higher than budget.
9	Asset renewal expenditure	Assets budgeted for renewal expenditure, including various road rehabilitation projects have not been completed and remain in work in progress.
10	Asset expansion expenditure	The budgeted expansion expenditure works, the Oak Park precinct, are continuing into future years, costs remain as work in progress.

Note 2: Funding for the delivery of our services

2.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the total market value of the land plus buildings and other improvements. The valuation base used to calculate general rates for 2017/2018 was \$49.100 billion (2016/2017 \$47.279 billion). The 2017/2018 rate in the CIV dollar was 0.0025681 (2016/2017, 0.002527).

	2018 \$'000	2017 \$'000
General Rates	124,962	121,546
Supplementary rates and rate adjustments	2,766	3,131
Waste management charge	13,300	13,086
Special rates and charges	457	496
Total rates and charges	141,484	138,259

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018 and the valuation will be first applied in the rating year commencing 1 July 2018. Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

2.2 Statutory fees and fines

Infringements and costs	6,309	6,227
PERIN court recoveries	487	389
Town planning fees	2,225	2,025
Land information certificates	178	171
Other fines	638	749
Permits	2,293	2,151
Total statutory fees and fines	12,130	11,712

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.

2.3 User fees

Parking	290	93
Aged services fees	1,904	2,066
Registration fees	1,541	1,442
Road occupancy charges	130	205
Building services	591	564
Valuation fees/supplementary charges	41	393
Waste management services	539	1,074
Right of way closures	182	751
Other fees	2,034	2,230
Total user fees	7,251	8,817

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

2.4 Funding from other levels of government

Grants were received in respect of the following:

	2018 \$'000	2017 \$'000
Summary of grants		
Commonwealth funded grants	13,161	15,654
State funded grants	8,576	6,292
Total	21,737	21,946
(a) Operating Grants		
<i>Recurrent – Commonwealth Government</i>		
Commonwealth Financial Assistance Grants – general purpose	4,503	6,937
Commonwealth Financial Assistance Grants – local roads	896	1,357
Families and children	640	622
Home help	5,201	4,933
Food services	784	570
Other	249	-
<i>Recurrent – State Government</i>		
Home help	1,907	1,993
Libraries	1,297	1,046
Families and children	2,042	1,816
Other	474	525
Total recurrent operating grants	17,991	19,799
<i>Non-recurrent – State Government</i>		
Environment protection	309	73
Total non-recurrent operating grants	309	73
Total operating grants	18,300	19,872
(b) Capital Grants		
<i>Recurrent – Commonwealth Government</i>		
Roads to recovery	889	1,235
<i>Recurrent – State Government</i>		
Buildings	-	290
Recreation	2,241	409
Other	28	-
Total recurrent capital grants	3,157	1,934
<i>Non-recurrent – State Government</i>		
Recreation	280	81
Other	-	60
Total Capital Non-recurrent	280	141
Total capital grants	3,437	2,075

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

	2018 \$'000	2017 \$'000
Balance at start of year	1,238	825
Received during the financial year and remained unspent at balance date	1,809	1,157
Received in prior years and spent during the financial year	(1,238)	(744)
Balance at year end	1,809	1,238

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

2.5 Contributions

Monetary	18,240	16,574
Non-monetary	25,360	1,434
Total contributions	43,600	18,008

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

Land under roads	141	372
Property	24,094	-
Infrastructure	1,124	1,062
	25,360	1,434

Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset. A one-off project initiated by the Land Titles Office to reconcile Crown land parcels as part of a digitisation project, resulted in the titles of various land parcels being transferred to Moreland City Council.

2.6 Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	260	3,476
Write down value of assets disposed	(7,606)	(6,821)
Total	(7,347)	(3,345)

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 assets sales are infrastructure assets where Council receives no proceeds upon disposals.

2.7 Other income

Interest	3,332	2,935
Investment property rental	387	525
Other rent	1,866	2,009
Sale of non plant and equipment	78	88
Legal costs reimbursed	318	180
Payroll reimbursements	126	135
Other	1,017	912
Total other income	7,124	6,784

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 3: The cost of delivering services

3.1 Employee costs

a) Total Employee costs

	2018 \$'000	2017 \$'000
Wages and salaries	63,085	61,006
Workcover	1,875	2,105
Casual staff	449	446
Annual leave and long service leave	7,671	6,955
Superannuation	6,427	6,164
Fringe benefits tax	119	137
Other	1,631	1,987
Total employee costs	81,256	78,798

(b) Superannuation

Council made contributions to the following:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	659	713
	659	713
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,548	3,556
Employer contributions - other funds	2,210	1,872
	5,758	5,429
Employer contributions payable at reporting date	564	554

Refer to note 8.3 for further information relating to Council's superannuation obligations.

3.2 Materials and services

	2018 \$'000	2017 \$'000
Utilities	3,338	2,920
Contractors	12,208	11,897
Works contracts	586	99
General services	26,293	26,219
Office services and supplies	5,205	5,186
Other supplies	2,372	2,369
Materials	413	243
Minor equipment and medical supplies	988	1,092
Other related costs	2,801	1,940
Property leases and rentals	416	1,018
Fire Services Property Levy	168	163
Council grants and sponsorships	2,254	1,428
Insurance	1,343	999
Total materials and services	58,385	55,571

3.3 Depreciation and amortisation

Property	3,971	3,852
Plant and Equipment	3,502	3,263
Infrastructure	16,429	16,361
Total depreciation	23,903	23,476
<i>Prepayment asset</i>		
Rights of use of Animal Shelter	236	-
Total depreciation and amortisation	24,139	23,476

Refer to note 4.2(c) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

3.4 Bad and doubtful debts

Parking fine debtors	1,992	1,542
Other debtors	1,134	(40)
Total bad and doubtful debts	3,126	1,502
Movement in provisions for doubtful debts		
Balance at the beginning of the year	1,474	1,529
New Provisions recognised during the year	1,134	(41)
Amounts already provided for and written off as uncollectable	22	14
Amounts provided for but recovered during the year	(45)	(29)
Balance at end of year	2,586	1,474

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified. Bad debts has increased between years due to a change of Council's debt write off policy.

3.5 Borrowing costs

	2018 \$'000	2017 \$'000
Interest – Borrowings	2,188	2,018
Total borrowing costs	2,188	2,018

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.

3.6 Other expenses

Auditors' remuneration	64	82
Auditors' remuneration – Internal	104	106
Councillors' allowances	1	3
Total other expenses	169	191

Note 4: Our financial position

4.1 Financial assets

a) Cash and cash equivalents

	2018 \$'000	2017 \$'000
Cash on hand	7	7
Cash at bank	8,699	1,956
Term Deposits (maturity < 90 days)	41,200	47,500
Total cash and cash equivalents	49,906	49,462

b) other financial assets

Term Deposits (maturity > 90 days)	56,000	59,700
Total cash and cash equivalents and other financial assets	105,906	109,162

Council's cash and cash equivalents and other financial assets are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust funds and deposits (Note 4.3)	3,516	3,096
Total restricted funds	3,516	3,096
Total unrestricted cash and cash equivalents and other financial assets	102,391	106,066

Intended allocations

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

Restricted Reserves (Note 8.1)	50,832	36,472
Total funds subject to intended allocations	50,832	36,472

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, being market 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.

c) Trade and other receivables

	2018 \$'000	2017 \$'000
Current		
Statutory receivables		
Rates debtors	10,703	12,444
Parking infringement debtors	7,933	7,080
Provision for doubtful debts – parking infringements	(5,359)	(4,677)
Non statutory receivables		
Other debtors	5,138	4,648
Provision for doubtful debts – other debtors	(2,586)	(1,474)
Fire Services Property Levy debtors	2,024	2,352
Net GST receivable	1,939	1,690
Total trade and other receivables	19,792	22,061

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

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

Current (not yet due)	(411)	1,086
Past due by up to 30 days	1,806	639
Past due between 31 and 180 days	881	1,197
Past due between 181 and 365 days	12	73
Past due by more than 1 year	264	178
Total trade & other receivables	2,552	3,173

e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$2,586,374 (2017: \$1,474,340) were impaired. The amount of the provision raised against these debtors was \$2,586,374 (2017: \$1,474,340). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	–	–
Past due by up to 30 days	–	–
Past due between 31 and 180 days	66	128
Past due between 181 and 365 days	562	264
Past due by more than 1 year	1,959	1,082
Total trade & other receivables	2,586	1,474

4.2 Non-financial assets

a) Inventories

	2018 \$'000	2017 \$'000
Inventories held for distribution	242	179
Total inventories	242	179

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

Current		
Prepayments	810	765
Accrued income	495	272
Other	10	5
Total	1,315	1,042
Non-current		
Prepayments	1,890	2,126
Total	1,890	2,126

c) Intangible assets

Council has no intangible assets at this time.

4.3 Payables

Trade and other payables

Current		
Trade payables	4,631	9,165
Accrued expenses	8,232	11,524
Total trade and other payables	12,863	20,689
Trust funds and deposits		
Refundable deposits	873	824
Trust funds	644	641
Retention amounts	598	412
Fire services levy	921	1,084
Other refundable deposits	480	135
Total trust funds and deposits	3,516	3,096

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.

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.

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.

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

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

4.4 Interest-bearing liabilities

	2018 \$'000	2017 \$'000
Current		
Borrowings – secured (1)	1,090	7,566
	1,090	7,566
Non-current		
Borrowings – secured (1)	35,316	39,661
Total	36,406	47,227

(1) Borrowings are secured by Council's general rate income.

The maturity profile for Council's borrowings is:

Not later than one year	1,090	7,566
Later than one year and not later than five years	19,446	23,491
Later than five years	15,870	16,170
Total	36,406	47,227

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.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	1,090	7,566
Non-current	35,316	39,661
Total interest-bearing loans and borrowings	36,406	47,227

4.5 Provisions

	Annual leave \$'000	Long service leave \$'000	Service Gratuity \$'000	Other \$'000	Total \$'000
2018					
Balance at beginning of the financial year	6,376	13,353	16	33	19,778
Additional provisions	6,316	2,493	0	-	8,809
Amounts used	(5,800)	(1,757)	(2)	-	(7,560)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(96)	(4)	-	-	(99)
Balance at the end of the financial year	6,796	14,085	14	33	20,928

	Annual leave \$'000	Long service leave \$'000	Service Gratuity \$'000	Other \$'000	Total \$'000
2017					
Balance at beginning of the financial year	5,513	13,636	24	33	19,206
Additional provisions	5,674	1,478	0	-	7,153
Amounts used	(4,802)	(1,757)	(9)	-	(6,568)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(10)	(4)	-	-	(13)
Balance at the end of the financial year	6,376	13,353	16	33	19,778

(a) Employee provisions

	2018 \$'000	2017 \$'000
Current provisions expected to be settled wholly within 12 months		
Annual leave	6,172	5,538
Long service leave	2,126	1,693
	8,298	7,231
Current provisions expected to be settled wholly after 12 months		
Annual leave	624	838
Long service leave	10,153	10,372
Service gratuity	14	16
Other	33	33
	10,824	11,259
Total Current provisions	19,122	18,490
Non-current		
Long service leave	1,806	1,288
	1,806	1,288

Aggregate carrying amount of employee provisions:

	2018 \$'000	2017 \$'000
Current	19,122	18,490
Non-current	1,806	1,288
	20,928	19,778

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

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

Retirement gratuities

Retirement gratuities were provided to certain employees who were, prior to the formation of Moreland City Council, employed by the City of Brunswick. The liability represents payment amounts calculated on the basis of achieved levels of available sick leave. At balance date, the liability is measured at the present value of estimated future cash flows to be made for this entitlement.

4.6 Financing arrangements

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

Bank overdraft	4,000	4,000
Credit card facilities	462	467
Total facilities	4,462	4,467
Used facilities	143	54
Unused facilities	4,318	4,413

4.7 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.

2018	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	438	447	-	-	884
Leisure centres	1,278	1,895	-	-	3,173
IT systems support	550	1,015	-	-	1,565
Consultancies	189	-	-	-	189
Environmental Operations	657	443	-	-	1,099
Street cleansing	1,262	2,599	-	-	3,861
Total	4,373	6,398	-	-	10,772
Capital					
Consultancies	109	-	-	-	109
Works	2,704	1,172	650	-	4,526
Total	2,813	1,172	650	-	4,635

2017	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	429	884	456	-	1,769
Leisure centres	490	-	-	-	490
IT systems support	1,198	1,981	455	-	3,633
Social services	435	128	-	-	563
Consultancies	207	-	-	-	207
Libraries	92	-	-	-	92
Environmental operations	637	1,099	-	-	1,737
Street cleansing	1,072	2,592	1,313	-	4,977
Total	4,561	6,684	2,223	-	13,468
Capital					
Works	1,259	132	-	-	1,391
Total	1,259	132	-	-	1,391

Operating leases

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

	2018 \$'000	2017 \$'000
Not later than one year	79	370
	79	370

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office and/or retail complexes. These properties held under operating leases have remaining noncancellable lease terms of between one and ten years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	1,614	1,681
Later than one year and not later than five years	5,866	5,870
Later than five years	16,485	16,767
	23,965	24,318

Note 5: Assets we manage

5.1 Non-current assets classified as held for sale

Balance at beginning of financial year	600	2,608
Transfers (from) assets held for sale	(600)	(2,008)
Total Non-current assets classified as held for sale	-	600

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

In March 2018, Council resolved to withdraw a property held at Hood Crescent, as it was no longer deemed surplus to its needs. This decision had no material impact on Council's operations for the period and any prior periods presented as this property is a vacant parcel of land.

5.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 2017		Acquisitions \$'000	Contributions \$'000	Found Assets \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	Revaluations \$'000	At Fair Value 2018	
	\$'000	\$'000								\$'000	\$'000
2017										2018	
Land	1,195,331	691	24,235	9,750	-	-	600	135,833	1,366,441		
Buildings	159,785	18,400	-	-	(3,971)	(1,257)	-	10,537	183,494		
Plant and Equipment	13,354	4,680	-	-	(3,502)	(102)	-	-	14,429		
Infrastructure	480,269	18,590	1,124	694	(16,429)	(6,682)	-	-	477,565		
Work in progress	17,449	51,726	-	-	(366)	(42,507)	-	-	26,302		
Total	1,866,188	94,087	25,360	10,444	(23,903)	(8,407)	(41,907)	146,370	2,068,231		

Derecognition of assets and impairments are included in the disposal amount.

A one-off project initiated by the Land Titles Office to reconcile Crown land parcels as part of a digitisation project, resulted in the titles of various land parcels being transferred to Moreland City Council. \$ 9.75m were classified as found assets based on the date of transfer.

The vast majority of found infrastructure assets discovered during the financial year that require to be recognised as Council assets, are drains.

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Property	12,766	28,846	(19,238)	(303)	22,071
Plant and Equipment	1,117	3,685	(4,680)	-	121
Infrastructure	3,566	19,195	(18,590)	(63)	4,109
Total	17,449	51,726	(42,507)	(366)	26,302

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
Land		
Land	Not applicable	No limit
Land under roads	Not applicable	No limit
Buildings		
Buildings	5 to 200 years	1
Plant and equipment		
Plant and equipment	3 to 10 years	3
Furniture and fittings	3 to 10 years	1
Computer equipment	3 to 10 years	1
Library books	3 to 10 years	1
Motor vehicles	5 to 10 years	3
Artworks	Not applicable	1
Infrastructure		
Roads surface	10 to 30 years	1
Road pavement	50 to 100 years	1
Drains	20 to 100 years	1
Footpaths (includes shared footways)	15 to 50 years	1
Kerb and channel	15 to 75 years	1
Bridges	35 to 80 years	1
<i>Other infrastructure</i>		
Street furniture	10 to 20 years	10
Recreational, leisure and community facilities	10 to 50 years	5
Parks, open space and streetscapes	10 to 25 years	5
Playground equipment and other structures	10 to 50 years	5

c) Land and Buildings

	Land - specialised \$'000	Land - non specialised \$'000	Land Under Roads \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2017	968,014	223,475	3,842	1,195,331	163,652	163,652	12,766	1,371,749
Accumulated depreciation at 1 July 2017	-	-	-	-	(3,867)	(3,867)	-	(3,867)
	968,014	223,475	3,842	1,195,331	159,785	159,785	12,766	1,367,882
Movements in fair value								
Acquisition of assets at fair value	330	361	-	691	18,400	18,400	28,846	47,938
Contributed Assets	24,094	-	141	24,235	-	-	-	24,235
Recognition of found assets	9,750	-	-	9,750	-	-	-	9,750
Revaluation increments/decrements	102,154	33,679	-	135,833	102,201	102,201	-	238,034
Fair value of assets disposed	-	-	-	-	(1,390)	(1,390)	-	(1,390)
Impairment losses recognised in operating result	-	-	-	-	-	-	(303)	(303)
Transfers	600	-	-	600	-	-	(19,238)	(18,638)
	136,929	34,040	141	171,110	119,211	119,211	9,305	299,626
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(3,971)	(3,971)	-	(3,971)
Accumulated depreciation revaluation reversal	-	-	-	-	(91,664)	(91,664)	-	(91,664)
Accumulated depreciation of disposals	-	-	-	-	133	133	-	133
	-	-	-	-	(95,502)	(95,502)	-	(95,502)
At fair value 30 June 2018	1,104,943	257,515	3,983	1,366,441	282,863	282,863	22,071	1,671,376
Accumulated depreciation at 30 June 2018	-	-	-	-	(99,369)	(99,369)	-	(99,369)
	1,104,943	257,515	3,983	1,366,441	183,494	183,494	22,071	1,572,006

b) Plant and Equipment

	Motor Vehicles \$'000	Plant and equipment \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Library books \$'000	Artwork \$'000	Plant and equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2017	15,717	4,548	2,156	19,965	15,388	809	58,583	1,117	59,699
Accumulated depreciation at 1 July 2017	(10,944)	(3,350)	(1,730)	(18,482)	(10,723)	-	(45,229)	-	(45,229)
	4,773	1,198	426	1,483	4,665	809	13,354	1,117	14,471
Movements in fair value									
Acquisition of assets at fair value	1,889	331	227	1,184	1,033	15	4,680	3,685	8,364
Fair value of assets disposed	(1,084)	(201)	-	-	-	-	(1,285)	-	(1,285)
Transfers	155	(155)	-	-	-	-	-	(4,680)	(4,680)
	960	(25)	227	1,184	1,033	15	3,395	(995)	2,399
Movements in accumulated depreciation									
Depreciation and amortisation	(1,440)	(258)	(75)	(824)	(906)	-	(3,502)	-	(3,502)
Accumulated depreciation of disposals	1,016	167	-	-	-	-	1,183	-	1,183
Transfers	(119)	119	-	-	-	-	-	-	-
	(543)	29	(75)	(824)	(906)	-	(2,319)	-	(2,319)
At fair value 30 June 2018	16,677	4,523	2,384	21,149	16,421	824	61,977	121	62,099
Accumulated depreciation at 30 June 2018	(11,487)	(3,322)	(1,806)	(19,305)	(11,629)	-	(47,548)	-	(47,548)
	5,190	1,201	578	1,844	4,792	824	14,429	121	14,551

c) Infrastructure

	Road Surface	Road pavement	Drainage	Footpaths	Kerb and channel	Bridges/ retaining walls	Other Infrastructure	Work In Progress	Infrastructure	Total Infrastructure \$'000
At fair value 1 July 2017	77,919	285,270	149,267	103,670	86,632	23,635	115,398	3,566		845,358
Accumulated depreciation at 1 July 2017	(18,281)	(133,192)	(55,389)	(54,012)	(45,133)	(6,775)	(48,740)	-		(361,522)
	59,638	152,078	93,878	49,658	41,499	16,860	66,658	3,566		483,835
Movements in fair value										
Acquisition of assets at fair value	2,014	2,209	2,867	3,742	1,308	205	6,245	19,195		37,785
Contributed Assets	55	259	641	105	52	-	12	-		1,124
Recognition of found assets	-	48	927	79	15	-	144	-		1,213
Derecognition of assets	(7)	(75)	(304)	(135)	(2)	(17)	(224)	-		(764)
Fair value of assets disposed	(1,921)	(1,062)	(286)	(1,227)	(842)	(74)	(5,402)	-		(10,814)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	(63)		(63)
Transfers	-	-	-	-	-	-	-	(18,590)		(18,590)
	142	1,379	3,845	2,564	530	114	775	543		9,892
Movements in accumulated depreciation										
Depreciation and amortisation	(2,369)	(2,771)	(1,552)	(2,903)	(1,321)	(386)	(5,129)	-		(16,429)
Recognition of found assets	-	(29)	(413)	(27)	(0)	-	(51)	-		(520)
Derecognition of assets	0	47	123	52	1	1	104	-		328
Accumulated depreciation of disposals	520	790	125	798	620	35	1,679	-		4,568
	(1,848)	(1,964)	(1,717)	(2,080)	(699)	(350)	(3,396)	-		(12,053)
At fair value 30 June 2018	78,061	286,649	153,112	106,234	87,162	23,750	116,173	4,109		855,249
Accumulated depreciation at 30 June 2018	(20,129)	(135,156)	(57,106)	(56,092)	(45,832)	(7,125)	(52,136)	-		(373,575)
	57,932	151,493	96,007	50,142	41,330	16,624	64,037	4,109		481,674

Acquisition

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

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

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account 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, 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.

Artworks are not depreciated.

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

Depreciation periods used are listed at note 5.2 and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land (excluding land under roads) were undertaken by Mr. Stephen Davy AAPI, a certified practicing valuer of Opteon Property Group, as at 30 June 2018. 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 discounted rate to market value based on legal precedents. The discounted rate varies based on zoning, access and shape of the site. The valuation of buildings were undertaken by Daniel Atherton, a certified practicing valuer of APV Valuers. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation, being 30 June 2018.

Valuation of land under roads

Land under roads is valued at fair value. Fair value is based on Council valuations for land under roads in existence at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. Council in its policy on land under roads has elected not to bring to account the value of Land Under Roads in existence prior to 30 June 2008.

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 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land – Non Specialised	–	257,515	–	June 2018
Land – Specialised	–	–	1,104,943	June 2018
Land under roads	–	–	3,983	N/A
Buildings	–	–	183,494	June 2018
Total	–	257,515	1,292,420	

No transfers between levels occurred during the year.

Valuation of infrastructure

Fair value assessments have been performed at 30 June 2018 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 2018/19.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	–	–	209,425	June 2016
Bridges	–	–	16,624	June 2016
Drains	–	–	96,007	June 2016
Footpaths	–	–	50,142	June 2016
Kerb & Channel	–	–	41,330	June 2016
Other Structures	–	–	64,037	June 2016
Total	–	–	477,565	

No transfers between levels occurred during the year.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads

The market based direct comparison method is used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. 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 per cent and 95 per cent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$69 and \$4,271 per square metre.

Specialised buildings

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$15 to \$30,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 99 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 4 years to 99 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.

	2018 \$'000	2017 \$'000
Reconciliation of specialised land		
Land under roads	3,983	3,842
Parks and reserves	1,104,943	968,014
Total specialised land	1,108,926	971,856

5.3 Investments in associates, joint arrangements and subsidiaries

Unlisted Shares		
Shares in MAPS Group Ltd	2	2
	2	2

Unlisted shares in the MAPS Group Limited are valued at cost. Dividends are recognised when they accrue.

5.4 Investment property

Balance at beginning of financial year	25,975	28,730
Acquisitions	-	52
Fair value adjustments	6,677	(2,807)
Balance at end of financial year	32,652	25,975

Investment property, comprising freehold office complexes, 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. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term.

Valuation of investment property

Independent valuations of investment properties were performed at 30 June 2018 by Mr. Stephen Davy AAPI a certified practicing valuer of Opteon Property Group, who has 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.

Note 6: People and relationships

6.1 Council and key management remuneration

a) Related Parties

Parent entity

Moreland City Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 5.3.

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

Councillor John Kavanagh (<i>Mayor from 30/10/17 to current</i>)
Councillor Helen Davidson (<i>Mayor from 1/7/17 to 29/10/17</i>)
Councillor Samantha Ratnam (<i>Deputy Mayor from 1/7/17 to 11/10/17; Resigned effective 12/10/17</i>)
Councillor Natalie Abboud (<i>Deputy Mayor from 30/10/17 to current</i>)
Councillor Dale Martin
Councillor Annalivia Carli Hannan
Councillor Jess Dorney (<i>sworn in 6/12/17</i>)
Councillor Oscar Yildiz
Councillor Lambros Tapinos
Councillor Sue Bolton
Councillor Ali Infanli
Councillor Mark Riley

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer Nerina Di Lorenzo
Director Corporate Services James Scott
Director Planning and Economic Development Kirsten Coster
Acting Chief Finance Officer David Eisenbise
Acting Executive Manager Suzana Vujcevic
Director Social Development Arden Joesph
Director City Infrastructure Grant Thorne
Chief Finance Officer Elizabeth Rowland
Executive Manager Anita Craven

	2018 No.	2017 No.
Total Number of Councillors	12	16
Chief Executive Officer and other Key Management Personnel	9	11

c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2018 \$'000	2017 \$'000
Short-term benefits	2,174	2,754
Long-term benefits	36	48
Post employment benefits	194	245
Termination benefits	-	-
Total	2,403	3,047

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

\$10,000 - \$19,999	2	10
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	8	4
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
\$70,000 - \$79,999	1	1
\$130,000 - \$139,999	-	1
\$190,000 - \$199,999	1	2
\$200,000 - \$209,999	-	2
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	-	1
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	1	1
\$280,000 - \$289,999	3	2
\$370,000 - \$379,999	-	1
\$380,000 - \$389,999	1	-
	21	27

The total remuneration amounts disclosed within Note 6.1 and Note 6.2 includes annual and long service leave on costs.

d) Senior Officers Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$145,000.

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

	2018 No.	2017 No.
Income Range		
\$145,000 - \$149,999	4	9
\$150,000 - \$159,999	8	3
\$160,000 - \$169,999	5	4
\$170,000 - \$179,999	6	1
\$180,000 - \$189,999	-	2
\$190,000 - \$199,999	4	3
\$200,000 - \$209,999	1	-
\$230,000 - \$239,999	1	-
	29	22

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

	\$	\$
	4,923,958	3,385,377

6.2 Related party disclosure

	2018 \$'000	2017 \$'000
a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.	-	-
b) Outstanding balances with related parties		
No balances are outstanding at the end of the reporting period in relation to transactions with related parties	-	-
c) Loans to/from related parties		
Council does not make loans or receive loans from related parties. No guarantees have been provided.	-	-
d) Commitments to/from related parties		
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:	-	-

Note 7: Managing uncertainties

7.1 Contingent assets and liabilities

a) Contingent assets

As at 30 June 2018 there were no Contingent Assets identified by Council (2017 Nil).

b) Contingent liabilities

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

The 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.

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

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period.

Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

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

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract.

The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

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

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

Leases (AASB 16) (applies 2019/20)

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

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

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

7.3 Financial Instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from major Australian banks by a tender process or the issuing of bonds by the Local Government Funding Vehicle. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

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

(c) Credit Risk

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

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 7.1(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 our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- 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 in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and 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 4.4.

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 +1% and -1% in market interest rates (AUD) from year-end rates of 2.70%.

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.

7.4 Fair value measurement

Fair value hierarchy

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within 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.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 5.2, Property, infrastructure, plant and equipment.

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

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

Impairment of assets

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

7.5 Events occurring after balance date

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

Note 8: Other matters

8.1 Reserves

(a) Asset revaluation reserves

2018	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	950,215	135,833	1,086,048
Buildings	68,307	10,537	78,844
	1,018,522	146,370	1,164,892
Infrastructure			
Road surface	62,783	-	62,783
Road pavement	96,429	-	96,429
Bridges	12,224	-	12,224
Footpaths	30,470	-	30,470
Drainage	53,771	-	53,771
Kerb and channel	27,746	-	27,746
Other structures	52,274	-	52,274
	335,697	-	335,697
Total asset revaluation reserves	1,354,219	146,370	1,500,589
2017			
Property			
Land	950,215	-	950,215
Buildings	68,307	-	68,307
	1,018,522	-	1,018,522
Infrastructure			
Road surface	62,783	-	62,783
Road pavement	96,429	-	96,429
Bridges	12,224	-	12,224
Footpaths	30,470	-	30,470
Drainage	53,771	-	53,771
Kerb and channel	27,746	-	27,746
Other structures	52,274	-	52,274
	335,697	-	335,697
Total asset revaluation reserves	1,354,219	-	1,354,219

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

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2018				
Public resort and recreation land fund (Restricted)	36,482	14,469	(1,217)	49,734
Housing strategy	770	50	-	820
Moonee ponds creek development	77	-	(18)	59
Leisure centre development reserve	3,056	748	(415)	3,390
Moreland Defined Benefit Reserve	3,811	2,196	-	6,007
Significant Projects Reserve	-	2,291	(964)	1,327
Bridge works Reserve	-	1,400	-	1,400
Merlynston Progress Hall	400	-	(400)	-
Oak Park SAC Redevelopment	11,467	9,256	(18,254)	2,469
Wheatsheaf Rd Precinct	415	410	(123)	702
Saxon St Precinct	348	410	(115)	643
PVCC on Rodgers Reserve	1,265	-	(1,770)	(506)
Local Government Funding Vehicle reserve	682	1,405	-	2,087
Developer Contribution Plan Reserve (Restricted)	(10)	2,067	(960)	1,098
Total Other reserves	58,763	34,702	(24,235)	69,231
2017				
Public resort and recreation land fund (Restricted)	24,860	12,352	(730)	36,482
Housing strategy	720	50	-	770
Moonee ponds creek development	127	-	(50)	77
Leisure centre development reserve	2,787	407	(138)	3,056
Moreland Defined Benefit Reserve	-	3,811	-	3,811
Landfill Reserve	411	-	(411)	-
Merlynston Progress Hall	-	400	-	400
Oak Park SAC Redevelopment	9,609	4,223	(2,365)	11,467
Wheatsheaf Rd Precinct	500	-	(85)	415
Saxon St Precinct	500	-	(152)	348
PVCC on Rodgers Reserve	-	3,218	(1,953)	1,265
Local Government Funding Vehicle reserve	-	682	-	682
Developer Contribution Plan Reserve (Restricted)	(441)	2,032	(1,601)	(10)
Total Other reserves	39,073	27,176	(7,485)	58,763

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 Moonee Ponds Creek Development provides funds for the revitalisation of the Moonee Ponds Creek required because of freeway and CityLink works.

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

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 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.

The Wheatsheaf Road Precinct Reserve accumulates funds to be used in the development of the former primary school in Wheatsheaf Road.

The Saxon Street precinct reserves accumulates funds to be used to redevelop the former school site located at Saxon Street in Brunswick.

The PVCC on Rodgers Reserve accumulates funds to be used to build the Pascoe Vale Community Centre at Rodgers reserve.

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 program with each of the twelve DCP areas.

8.2 Reconciliation of cash flows from operating activities to surplus

	2018 \$'000	2017 \$'000
Surplus for the year	63,395	37,818
Depreciation	24,139	23,476
(Profit)/loss on disposal of property, infrastructure, plant and equipment	7,347	3,345
Fair value adjustments for investment property	(6,677)	2,807
Contributions - Non-monetary assets	(25,360)	(1,434)
Other	-	2,362
Finance costs	2,188	2,018
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	2,270	(1,865)
(Increase)/decrease in prepayments	191	(2,891)
(Increase)/decrease in accrued income	(228)	(106)
Increase/(decrease) in trade and other payables	(7,826)	4,360
(Increase)/decrease in inventories	(63)	(33)
(Decrease)/increase in trust funds	419	1,427
(Decrease)/increase in provisions	1,150	572
Net cash provided by operating activities	60,944	71,856

8.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9.5 per cent required under Superannuation Guarantee Legislation, (2016/17, 9.5 per cent)).

Defined Benefit Plan

Moreland City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a 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 Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

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

The Fund's latest actuarial investigation was held as at 30 June 2016 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net Investment Return	7.0% p.a.
Salary Inflation	4.25% p.a.
Price Inflation (CPI)	2.5% p.a.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106%.

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

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2016, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5 per cent of members' salaries. (2016/17, 9.5 per cent). This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

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 2017 triennial actuarial investigation surplus amounts

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

- A VBI surplus of \$69.8 million; and
- A total service liability surplus of \$228.8 million.

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

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Council was notified of the 30 June 2017 VBI during August 2017.

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.



Glenroy Festival-DJ Ender at his Moreland studio.





Moreland City Council

For further information, contact Moreland City Council by:

Phone: 9240 1111

Moreland Language Link

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