



Moreland
City Council

Annual Report

2019-20

Welcome

We are committed to accountability and transparency. We want this report to showcase our achievements over the past year – and show how we have tackled the challenges our community has faced.

Here you will find information about how we have done our jobs during the 2019-20 financial year.

Our Council Plan 2017-21 is the guiding document for this annual report. This plan sets out our strategic objectives in 3 key areas and how we have worked to achieve them.

If you would like to view our council plan, you can:

- visit www.moreland.vic.gov.au
- call us on 9240 1111
- visit one of our customer service centres or libraries*.

Over the coming months we will be writing a new community vision. This will direct our council plan for the years 2021-25.

You can be involved in this process and help set our new priorities. Look out for information in our *Inside Moreland* magazine, on our website or sign up to our My Moreland e-newsletter at www.moreland.vic.gov.au/subscribe.

We also welcome your feedback on this annual report. You can:

- call us on 9240 1111
- TTY on 133 677
- Voice Relay on 1300 555 727 and ask for (03) 9240 1111
- send us a direct message on Facebook @morelandcitycouncil
- write to us at Locked Bag 10, Moreland, Victoria 3058.

Our Customer Service Centres are open from 8.30am to 5pm, Monday to Friday*.

- **Coburg Civic Centre** 90 Bell Street, Coburg
- Brunswick Customer Service Centre 233 Sydney Road, Brunswick
- Glenroy Customer Service Centre 796N Pascoe Vale Road, Glenroy

You can also follow us on social media:

- Like us on Facebook @morelandcitycouncil
- Follow us on Instagram @morelandcouncil
- Follow us on Twitter @morelandcouncil
- Browse or subscribe to our Moreland City Council YouTube channel

* May be closed due to public health restrictions. Please visit www.moreland.vic.gov.au for updated information.

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Mayor's message

The past financial year has seen us face unprecedented challenges. But I am proud of the resilience of the Moreland community in the face of the coronavirus pandemic.

On behalf of my fellow councillors, I want to thank all of you for coming together and supporting each other. We worked hard to support the community during this uncertain and difficult time. We delivered outreach to our more vulnerable residents. We delivered home library services, online maternal and child health services, and so much more.

We introduced a COVID-19 financial hardship policy. This included an interest-free payment plan for rates. We also deferred rates without penalties. We quickly made \$80,000 in grants available to support community responses to the pandemic. And put in place greater support in the next financial year's budget.

We waived fees for businesses, turned off parking meters in our car parks and delayed the roll out of new parking restrictions. We supported our vibrant arts community through our arts and community recovery grants.

But the past year has seen us tackle more than coronavirus. This report wraps up the last year of the current council term. I would like to thank my fellow councillors for the service they have given over the past 4 years. Together with our community and Moreland staff, we have achieved so much.

As we come to the end of our Council Plan 2017-21, we have much to celebrate. After several years of campaigning by councillors and the community, level crossings are on track to be removed in Moreland.

Design work has been completed for the community hub in Glenroy. Work on this \$30.1 million project is due to be completed in 2021. Preparation has begun for the Saxon Street community hub. Our Counihan Gallery, at the heart of Moreland's cultural life, has been expanded. Brunswick Baths has been renovated. We consulted on the final design of one of Brunswick East's favourite parks, Fleming Park and we brought forward its redevelopment so this will be delivered in one stage.

Your council has also been working to help create a more liveable Moreland. We have been advocating for public transport and have remained at the forefront of action to reduce problem gambling. Our Libraries After Dark program has gone from strength to strength. The program is being rolled out at 10 locations across Victoria to prevent gambling harm. Moreland will manage the \$1 million program – funded by the Victorian Responsible Gambling Foundation – over the next 4 years.

We have been working hard to increase open space across Moreland, especially in our most densely populated areas. We want every resident to be within walking distance of a park. Our A Park Close to Home program made strong progress during the year. We purchased 543 square metres of soon to be green space on Sydney Road opposite Brunswick Town Hall. And sites at Cardinal Road in Glenroy and Service Street in Coburg. These joined the purchase made in the previous year in Frith Street, Brunswick. And new parks at Tinning Street and West Street began construction.

We also adopted a planning scheme amendment to increase the size of trees planted in new developments. This will help shade and cool our streets. It helps us create a more sustainable, liveable Moreland as the climate heats up and our municipality grows.

We took an important step forward in our fight against climate breakdown. We adopted our Zero Carbon Moreland Climate Emergency Action Plan. The plan sets out how we will support residents, businesses and schools to act together in response to the climate emergency. We are already on our way with the roll out of an opt-in food and garden organics collection service for the whole municipality, and the implementation of our plastic wise policy.

During the year we installed more electric vehicle fast-charging stations, with Moreland now having 5 across the municipality. This brought the total number of public charging stations to 14. This is the

highest number of free to use, renewably-powered public electric vehicle chargers owned and operated by any Victorian council.

We made improvements to the way we consult our diverse community. We launched our new online community consultation platform during the year. Conversations Moreland provides opportunities for the community to give feedback, collaborate and become more involved in local council decisions.

Thank you to everyone who has come together to tackle the challenges of the past year. We have achieved so much because of you.

With local government elections in October, this is another opportunity to help shape the future of your community. I encourage you all to get involved and build Moreland's future as one community, proudly diverse.

Mayor Cr Lambros Tapinos

Chief Executive Officer's report

Since I joined Moreland in December 2019, I have witnessed the resilience, commitment and flexibility of our organisation. And the incredible spirit in our community.

This has been especially so during the COVID-19 pandemic.

Moreland Council's key directions are to strengthen community, support a progressive city and to govern responsibly. In a pandemic, those directions remain critical. We redeployed staff to support our relief efforts, health and safety initiatives and business continuity plans. And we began the process of welcoming 309 full-time equivalent staff through the State Government-funded Working for Victoria scheme, creating new jobs for Morelanders.

Staff in our essential areas worked to maintain services at a critical time. Hundreds of staff began working remotely for the first time. Many of our frontline staff found truly resourceful and new ways to deliver services. We started storytelling programs on social media, online support services for young people and a new helpline to connect those dealing with isolation. Our emergency management staff worked closely with the State Government to support testing and community engagement programs.

Moreland's councillors have shown great leadership in prioritising new programs to support the community, business and the arts sector through the pandemic. At Moreland, our first priority is always the community. That means diverting resources to help those most affected by the pandemic and its social, health and economic impact.

This annual report covers the year to 30 June 2020. Our response to COVID-19 had an impact on achieving some of the goals that had been set before the pandemic. Through good financial management, we are on track to increase our special community support measures and continue other operations at current levels in the coming year.

The gains we have made so far on continuous improvement have seen further progress in our customer service performance. We had more requests from customers over the past year, and still our performance improved. We are committed to further improving customer service to provide the best experience possible to our community members and ratepayers.

The new Local Government Act 2020 has brought higher expectations to how we engage with the community, as well as greater transparency requirements. We have begun our considered approach to implementing the new requirements.

We were reminded of the importance of local councils with the centenary of our vital Maternal and Child Health Services. That was not the only thing to celebrate during the year. Our recently redeveloped Brunswick Town Hall precinct won the Civic Landscape Award of Excellence at the Australian Institute of Landscape Architecture Victoria 2020 Awards.

We enabled households to reduce waste going to landfill with the roll out of our opt-in food and garden organics collection service. An additional 6,500 households opted-in to this collection after it was launched in July 2019. Our Waste Services and Sustainable Communities Team made great efforts to deliver this important change, improving how we operate our waste services.

Plus, we added to our A Park Close to Home project, with the acquisition of sites on Sydney Road (Brunswick), Cardinal Road (Glenroy) and Service Street (Coburg).

We completed an upgrade of the Bonwick Street shopping strip in Fawkner, delivering a space for the local community to connect with new seating, improved pedestrian facilities and better lighting. We also started streetscape improvement works at Gaffney Village in Pascoe Vale.

Brunswick's Sheils Reserve redevelopment delivered new recreation and play equipment for residents to enjoy, as well as revegetation to increase habitat for local biodiversity.

We supported community sport with the construction of female friendly changerooms at Reddish Reserve, Hadfield and the clubhouse at Coburg's Glen Cairn Tennis Club. And we completed one of the first projects in our 20-year Aquatic and Leisure Strategy with upgrades to Fawkner Leisure Centre, including vibrant new spaces and improvement works to the pool.

Other highlights for the year included:

- achieving a residual 'carbon footprint' for operations that is 70% below the baseline year of 2011-12, although there is much more work to be done before we achieve our goal of zero emissions
- the first full year of purchasing 100% of our electricity for operations from renewable sources
- the development of a new Youth Strategy and Implementation Plan
- the use of Virtual Moreland technology to improve community engagement with planning and development
- an award for excellence from the Stormwater Victoria Awards for our Chain of Ponds collaboration at Moonee Ponds Creek
- recognition of our Word Play, library family literacy program at the Department of Education and Training Victorian Early Years Awards and the Victorian Public Healthcare Awards.

We also supported local government communities in areas affected by the summer bushfires. Our staff supported the emergency response provided to Mallacoota evacuees from the emergency relief centre in Melbourne. Others travelled to Wodonga to help the recovery effort in Towong Shire.

The 2019-20 year has been without precedent. Thank you to everyone who has helped us deliver the best outcomes possible for our community. We will build on our city's strengths and take ourselves forward, together.

Cathy Henderson Chief Executive Officer

About Moreland

Here we talk about the City of Moreland, how we are meeting the challenges we face and our focus for the future.

Moreland is a diverse and vibrant municipality located between 4km and 14km north of central Melbourne.

Moreland covers the suburbs of:

- Brunswick
- Brunswick East
- Brunswick West
- Pascoe Vale
- Pascoe Vale South
- Coburg
- Coburg North
- Hadfield
- Fawkner
- Glenroy
- Oak Park
- Gowanbrae
- small sections of Fitzroy North and Tullamarine.

Moreland is bordered by Merri Creek to the east, Moonee Ponds Creek to the west, Park Street to the south and the Western Ring Road to the north.

Population, growth and the impacts

In recent years, Greater Melbourne has grown rapidly. Moreland is one of the fastest growing municipalities outside of Melbourne's growth areas.

In the last 15 years, Moreland's population has grown by nearly a third (32%). It has increased from 140,872 in 2006 to an estimated 185,767 in 2019¹.

The reasons for this growing population in Greater Melbourne and Moreland are:

- migration from overseas
- increased life expectancy
- a growth in births.

Looking forward, as Greater Melbourne is forecast to grow, so is Moreland. Our population forecasts suggest our population will grow by another 23% by 2036². It will see our population increase to 228,425. That's an extra 42,658 future residents.

We are continuing to plan for the services needed to support these new residents, and the greater pressure on infrastructure. We have strategies on the key challenges facing Moreland:

- transport and how we move around our city
- maintaining and increasing parks and open spaces

- reaching our zero carbon targets by 2040
- housing accessibility and affordability.

We are working for the best possible planning outcomes for our community. We are focusing on:

- higher quality building design
- increased canopy tree planting
- redevelopment that maintains or increases local employment opportunities
- protecting our valued heritage places.

We have invested in more planning enforcement officers. They are proactively auditing sites to ensure the following outcomes are delivered:

- improved design
- environmental sustainability
- more canopy trees
- fully accessible housing.

The Moreland Design Excellence Scorecard is one way we are encouraging better quality development. Our scorecard goes beyond the acceptable standards of the planning scheme to deliver additional community benefits.

Note: population forecasts are from before the COVID-19 pandemic.

Diversity

Moreland has a long history of welcoming new residents from all over the world.

In the post-war period, migrants from Italy and Greece made up most of the city's new residents. Today, the largest groups of new arrivals are from India, Pakistan and China³.

These changing migration patterns contribute to a vibrant community of residents and businesses. Today over 1 in 3 residents in Moreland were born overseas, in more than 100 countries around the world³. At home, residents are most likely to speak Italian, Arabic, Greek or Urdu if not speaking English. As many as 140 different languages can be heard across the community³.

People of all ages live in Moreland. But we have a slightly younger median age (34 years) when compared with Greater Melbourne³.

The largest age group in Moreland is 25 to 34-year-olds. They make up 22% of our total population. The city is also home to approximately 30,000 young people under 18 years and over 22,000 people 65 years and older³.

Housing

Families make up the largest proportion of households in the city (37%). Many Moreland residents choose to live in homes with friends and housemates³. The proportion of these group households is higher than the metropolitan average (9% compared with 5% in Greater Melbourne).

More than 1 in 4 homes in Moreland are people living alone³. Population forecasts suggest this will increase to 28% of all homes by 2036. This will make single households the largest household type in Moreland.

Over half of households in Moreland are owner occupied or in the process of being purchased. But a growing number of households rent. In 2016, over 1 in 3 Moreland homes were rented. This is higher than the Greater Melbourne average (33% compared with 26%)³.

Renting is not only common among young people. An increasing number of families are living in rental accommodation. Between 2006 and 2016 there was a rise in the proportion of renters across nearly all age groups⁴.

Moreland has also seen a large rise in townhouse and apartment living in recent years (in 2016, 44% of all homes). Increasingly, all types of households are living in these homes, including families⁴.

Business and economy

Moreland is home to a vibrant community of local businesses and employment opportunities.

Moreland was an early industrial centre but its economy has changed over the years. Residents were historically much more likely to work in manufacturing. Today, the health and service sectors are our largest employers⁵. Moreland is also the proud home to a vibrant creative sector, supporting a wide range of arts and cultural activities⁶.

Transport

Population growth has the potential to adversely affect the liveability of Moreland. This is through worsening congestion, pedestrian safety and amenity. Transport also accounts for more than one quarter of carbon emissions in Moreland^{7,10}.

Our community gets to and from work, and around the city, in a variety of ways:

- Over half of workers travel to work by private vehicle, as either a driver or a passenger.
- Just over 1 in 3 residents use public transport (train, tram or bus) for their work trips.
- Another 10% of people either use a bike (7%) or walk (3%)⁷.

Getting people where they need to be for work, education or leisure as sustainably as possible is a key challenge for Moreland.

Open space

Moreland's major public open spaces include the Merri Creek Linear Park, the Coburg Lake Reserve and the CB Smith Reserve.

But we have one of the lowest rates of open space per person (40 sqm) in the Metropolitan area⁷. There are parts of Moreland where residents do not have access to public open space that they can walk to.

Forecast population growth will continue to put pressure on access to open space. Plans like our A Park Close to Home initiative are helping ensure all residents have access to quality open space close to where they work, live and play.

Climate emergency

Climate change is a dangerous threat to life. We are already experiencing hotter summer days, more frequent floods and droughts. Climate change is a risk to our health and wellbeing, and the economy, not just the environment.

Moreland is proud to be a leader in taking action against, and responding to, climate change. Our Zero Carbon Moreland 2040 Framework sets the vision and pathways for zero carbon emissions across our community by 2040¹⁰.

Moreland is particularly susceptible to heat building up in our urban areas due to climate change. This is due to:

- the number of solid surfaces in places like our shopping strips
- low levels of tree and vegetation cover
- rapid urban densification that has occurred over the last 15 years.

This type of urban heat places significant stress on vulnerable members of our community.

Tree canopy cover in Moreland is one of the lowest in the metropolitan area. We have 14% tree canopy cover compared to 17% in neighbouring Darebin and 19% in Yarra. There has been a decline in trees on private land in recent years. This is largely from the high rates of housing development. We are working to counter this decline by increasing canopy cover in public areas, through our Urban Forest Strategy 2017-2027.

Burning fossil fuels for energy is the largest source of carbon emissions for the Moreland community. Moreland's emissions come from:

- electricity (42%)
- transport (26%)
- wastewater (16%)
- gas (11%)
- solid waste (6%).

It is up to all of us to work together to be part of the solution to climate change. This includes demanding state and federal governments put in place policies to enable Australia to transition to a zero-carbon future.

COVID-19 and other financial impacts

We have outlined the impact of COVID-19 on our services in the section 'COVID-19: how we were affected' from page 24. The pandemic will also have a long-term impact on our financial position. This is in part because of its significant impact on our revenue and the likelihood the economy will be in recession. As a provider of front-line community support, we also seek to respond to those in need, which will be challenging to fund.

The State Government's rate cap has continued to put financial pressure on our budget. Our total revenue from rates is capped at a 2% increase for the 2020-21 financial year. The rate cap poses financial challenges as costs often increase at a higher rate than the cap. But we are committed to delivering council services within these constraints.

Recycling

In February 2020, the State Government outlined that a new 4-stream waste and recycling system will be rolled out in partnership with Victorian councils. This is to:

- improve the quality of material collected at the kerbside
- reduce waste being sent to landfill.

Councils have until 2027 to introduce the new glass service (purple bin) and until 2030 to introduce a food and garden organics service (part of the green bin).

We are already rolling out our opt-in food and garden organics collection service. This will be followed by a new separate glass service for all households by early 2022.

Through our partnership with Visy Recycling, no recyclable material collected from the kerbside is going to landfill.

Aged care

We are committed to supporting our older residents to live and age well. And to remain living independently at home for as long as possible. This has continued as our community moved to the My

Aged Care system. Challenges remain in supporting those from culturally and linguistically diverse backgrounds and others who may struggle to navigate the new system.

We are focussed on supporting older residents to be connected to their community. This is part of the implementation of our Living and Ageing Well Framework.

The Royal Commission into Aged Care Quality and Safety is having an impact on aged care services at all levels of government. We have been granted funding until June 2022 for services and aged care assessments. This was an extension to previous arrangements.

We are looking at innovative ways to provide services as the COVID-19 pandemic continues. We want older community members to be able to stay connected and receive the services they need.

New local government act

The State Government has described the *Local Government Act 2020* (the 'Act') as the most ambitious and comprehensive reform of local government in Victoria for 30 years. The new Act began replacing the *Local Government Act 1989* on 1 May 2020.

The new Act touches on many different areas of our work. Please read more in the 'Statutory Information' section of this report from page 157.

Sources

- 1 Estimated Resident Population (ERP) City of Moreland, ID Consulting 2019, <http://profile.id.com/moreland/population-estimate>
- 2 Population projections for Moreland, ID Consulting 2017, <http://forecast.id.com.au/moreland>
- 3 2016 Census of Population and Housing, Australian Bureau of Statistics
- 4 A Home in Moreland Report, ID Consulting 2018
- 5 City of Moreland Thematic History, Historica 2010, <https://www.moreland.vic.gov.au/globalassets/areas/strategic-planning/moreland-thematic-history.pdf>
- 6 2017-2022 Arts and Culture Strategy, Moreland City Council 2017
- 7 Moreland Integrated Transport Strategy 2019, GTA Consultants 2019
- 8 Open Space Strategy 2012-2022, Moreland City Council 2012
- 9 Urban Forest Strategy 2017-2027, Moreland City Council 2017
- 10 Zero Carbon Moreland Framework 2040, Moreland City Council 2019

Highlights of the year

Here we give a summary of our achievements for the past year. This is presented under our 3 strategic objectives. These objectives come from our Council Plan 2017-21.

Strategic objective 1: Connected community

Key priorities

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

Achievements

- The COVID-19 pandemic affected many projects that aimed to bring community members together.
- Ninety-six per cent of people felt that we support the diversity of the Moreland community. This was according to our Customer Satisfaction Survey 2020.
- We recruited participants to our Democracy Lab and established a program to support community-led ideas and build connections in Moreland for civic participation.
- We consulted with the community about library opening hours. The next step will be to present the new proposed hours to Council and trial them in 2021.
- The pandemic caused temporary closure of libraries from March 2020. But we enabled remote access to many library services and an expanded home delivery service.
- We adopted the Moreland Sport and Active Recreation Strategy in November 2019. We developed yearly action plans for implementation.
- Female friendly changerooms were constructed at Reddish Reserve, Hadfield.
- We upgraded facilities at Brunswick Baths. These include a 24/7 gym, indoor pool improvements and 2 group fitness spaces.
- The clubhouse at Coburg's Glen Cairn Tennis Club was completed.
- We progressed 151 actions in our Municipal Public Health and Wellbeing Plan 2017-2021.
- We launched the Moreland Play Streets program, with 2 events held in early 2020.
- We accepted funding extensions for the Regional Assessment Service and Commonwealth Home Support Programme (CHSP). We will continue to deliver CHSP services to at least 30 June 2022.
- We encouraged increased participation of adults and children in passive outdoor activities by completing an annual playground upgrade program. During the year, we upgraded 7 reserves.

- According to our Customer Satisfaction Survey 2020, 84% of people were satisfied by our performance in providing a range of youth space options that meet the needs of young people.
- The final Youth Strategy was adopted by Council in August 2019. An implementation plan was then prepared and approved by Council in December 2019.
- We received \$70,000 to help young women and girls from diverse backgrounds join mainstream sport. The Count Me in Too program saw 601 women and girls participating in 56 culturally inclusive sporting opportunities.

Strategic objective 2: Progressive city

Key priorities

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

Achievements

- We continued to use and improve our Virtual Moreland tools. Virtual Moreland allows the public to view the City of Moreland through 3D maps, 3D models and using virtual and augmented reality. We used it to support community consultation for open space projects.
- The timeframes for the delivery of planning decisions improved throughout the year. They now generally average less than other metropolitan council averages.
- We proactively pursued breaches of Environmentally Sustainable Development requirements to ensure compliance.
- There has been ongoing interest in our Design Excellence Scorecard. Take-up continued to grow. The target was for 12 developments to achieve the scorecard benchmarks. Five developments have achieved the scorecard benchmarks. These benchmarks seek to achieve design that is over and above the standard planning scheme requirements.
- We scoped future works in a detailed plan to improve our energy efficiency and capacity to produce renewable energy.
- We progressed key projects to make Moreland a more water sensitive city.
- We continued our commitment to address affordable housing through a Memorandum of Understanding with the Moreland Affordable Housing Ltd. High-level assessment was done for 5 sites on our land for an affordable housing development, to inform progress in 2020-21.
- We put our work on the Moreland Integrated Transport Strategy on hold. We are doing more work to understand the full impact of the original Planning Scheme Amendment C183. This

amendment sought to allow less parking in some new developments to encourage sustainable transport options.

- We continued to work with the Victorian Government through the Level Crossing Removal Project to guide redevelopment of the Upfield railway corridor. Outcomes included significantly increased public open space.
- We supported the establishment and expansion of local businesses to encourage employment growth. We stepped this up as the COVID-19 pandemic hit.
- We acquired 3 sites for the A Park Close to Home program, to provide more open space. These were on Sydney Road opposite Brunswick Town Hall, Cardinal Road in Glenroy and Service Street in Coburg. New parks at Tinning Street and West Street began construction.
- We adopted our Zero Carbon Moreland – Climate Emergency Action Plan 2020-21 to 2024-25.
- This was the first full year we purchased 100% of our electricity from renewable sources. This was through the power purchase agreement that resulted in construction of Crowlands Wind Farm in 2019.
- Our residual 'carbon footprint' for operations is now 70% below the baseline year of 2011-12.
- We continued to be a strong supporter of zero-emissions vehicle technologies. This year we took our zero-emissions fleet to 22 vehicles. We also participated in a Toyota Australia initiative to trial 2 hydrogen fuel cell vehicles.
- Our streetscape renewal achieved more success, with the completion of Fawkner's Bonwick Street upgrade. Works began for Pascoe Vale's Gaffney Village project and the Russell Street upgrade in Coburg. We progressed planning for the next upgrade in the Brunswick activity centre.
- Our arts grant programs provided 13 grants – totalling \$100,268 – for community projects.
- We expanded the Counihan Gallery in Brunswick. This increased its profile, exhibition space and opportunities for the arts.
- We rapidly grew our support for local artists during the COVID-19 pandemic.
- Following a rebrand and programming shift our Brunswick Music Festival is now recognised as one of Victoria's premier music festivals and attracts national attention. Sydney Road Street Party, which kicks the festival off, is the largest event in our calendar. It attracted 50,000 people in March 2020. Unfortunately, the second week of the festival was cancelled due to the pandemic.
- Around 10,000 households are now accessing our food and green waste collection service. Since it launched on 1 July 2019, about 6,500 additional households have opted in. Participating Moreland households have composted over 10,931 tonnes of food and garden waste. This is a 46% increase compared to the same period the year before.
- We're moving forward on our Plastic Wise Policy. This policy aims to end the use of single-use plastic within our own operations, as well as at council-run events and council-owned facilities.

Strategic objective 3: Responsible council

Key priorities

1. Improve resident satisfaction to 90% with Council's performance in customer service.
2. Reach the top 25% of all councils for improved community satisfaction with Council's engagement practices.
3. Maintain and match our infrastructure to community needs and population growth.
4. Provide transparent and effective governance of Council's operations.
5. Operate without seeking an exemption from the rate cap through efficient use of Council's skills and financial resources.

6. Enable Council's workforce to be mobile and accessible, supported by smart and efficient technologies.

Achievements

- Eighty-seven per cent of people were satisfied with our customer service performance. This was according to our Customer Satisfaction Survey 2020. This was a 6% increase on the previous year.
- We improved our performance in our contact centre. Incoming calls from the public are answered faster with reduced wait times. We saw a 36% reduction in the number of abandoned calls.
- We implemented a council-wide customer request tracking tool. This gave managers and staff better visibility of the status of the customer requests assigned to them.
- We prepared a program of service improvements. These included the automation and digitisation of processes.
- We established a collaborative procurement approach with the Northern Region Group of Councils. This approach has many benefits including better value for money and reduced duplication.
- We have diversified our digital communications to improve reach to the community. This includes launching Moreland's first ever digital newsletter, *My Moreland*.
- We've also built our social media audiences, with our Facebook followers rising by 12.5%. We trained Customer Service staff in responding to customers on social media. This has improved customer response rates and raised the level of service.
- We launched the Conversations Moreland website, an online community engagement tool. We also established systems, processes and staff training resources to use this website.
- In December 2019, Council approved the contract to complete construction of the Wheatsheaf community hub. The hub is to be known as the Glenroy Community Hub. Construction has begun.
- In July 2020, Council endorsed a refreshed option to deliver redevelopment of the Saxon Street multi-use facility in Brunswick.
- We consulted the community on the concept design to reimagine the Fleming Park Grandstand. Planning approval was obtained, with heritage requirements included. The construction contract was awarded and construction began in July 2020.
- We assessed the implications of the new reforms to the Local Government Bill and briefed councillors. Moreland Council submitted a response to the Minister for Local Government about the proposed reforms on 31 July 2019.
- We mapped each clause of the new *Local Government Act 2020* to establish key implementation responsibilities, timings and actions.
- Our 2019-20 budget was adopted without the need to seek a rate exemption.
- Our continuous improvement program found efficiencies in our customer service, IT and governance work.
- We surveyed staff to better understand their needs during the COVID-19 pandemic and what we could improve. Results have been shared and follow up actions are taking place in work teams.
- We implemented the Northern Region Smart Cities 'Internet of Things' platform. We deployed various sensors across the municipality to provide data to the organisation and the community.

Financial overview

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

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

Strategic resource plan

We are guided by the principles of our Strategic Resource Plan 2020-2025. This plan is not intended to be static. It is reviewed each year 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
- maintain and repair our infrastructure assets at the level expected by the community
- deliver essential services.

Operating income

Our total income for the year was \$221.293 million.

There was an increase in income of \$3.842 million (or 1.8%) compared to 2018-19. This was largely due to the growth in rates income. Our major source of income, rates and charges, generated \$159.319 million (or 72.0% of total income).

Other major sources of income include:

- government grants of \$22.850 million (or 10.4% of total income)
- user fees and statutory fees and fines of \$19.380 million (or 8.8% of total income).

Operating expenses

Our total operating expenses for the year were \$190.151 million.

The majority of this was employee costs. This was \$89.608 million (47.2% of total expenses). The next biggest cost was material and services of \$59.186 million (31.2% of total expenses).

We are reporting an accounting surplus of \$31.142 million for the financial year. It is important to note this accounting surplus is not spare funds which build up in the bank. This is surplus funds which are on our balance sheet including our capital works program and loan repayments. Other funds are directed to Reserves which is already committed to future capital works expenditure or other important items that are one-off.

Operating expenditure profile for 2019-20

Operating category	Percentage
Administration	15.1%
Asset depreciation	14.3%
Aged, disability and social services	8.7%
Planning and economic development	8.4%

Operating category	Percentage
Waste collection and recycling	8.0%
Parks and street trees	7.1%
Local laws and regulations	6.5%
Arts, culture and libraries	4.5%
Systems and communications	4.2%
Health and immunisation	3.2%
Roads and footpaths	3.0%
Street cleansing	2.6%
Recreation and leisure	2.5%
Customer service	2.5%
Youth and children's services	2.4%
Transport	1.8%
Asset maintenance	1.8%
Governance	1.3%
Capital works	1.0%
Property services	0.6%
Asset management	0.5%
Total	100.0%

COVID-19 pandemic

There were a number of financial impacts to Moreland Council in the year to 30 June 2020 due to the COVID-19 pandemic. These included:

- increased costs of \$1 million for the closure of leisure centres
- deferral of rates revenue/interest free period of \$0.9 million
- waiver of sporting fees \$0.1 million decrease in revenue
- parking income loss of \$0.1 million
- infringements loss of \$0.9 million
- venue hire income \$0.1 million loss.

The impact of stage 4 restrictions was not fully realised at the time of drafting these statements.

You can read more about the impact of the pandemic in the section 'COVID-19: how we were affected' from page 24.

Capital expenses

Our total completed capital expenditure for the year was \$44.486 million. We spent another \$14.719 million on works in progress.

We continue to address our capital works program across a wide range of projects. Our total completed capital work spend was \$18.571 million above the depreciation for the year.

Capital works by category delivered in 2019-20

Asset class	Amount
Land	\$12.597m
Roads	\$8.923m
Buildings	\$6.122m

Asset class	Amount
Footpaths and cycleways	\$4.471m
Other infrastructure	\$4.280m
Drainage	\$3.831m
Plant, machinery and equipment	\$2.509m
Library collection	\$0.992m
Fixtures, fittings and furniture	\$0.447m
Computers and telecommunications	\$0.268m
Bridges	\$0.046m

Delivering services to you

We provide more than 150 services to our community.

These include:

- waste management
- delivering meals
- parks and open spaces
- supporting local businesses
- regulating traffic
- supporting older people in their homes.

Our staff oversee the planning permit process and animal registrations. We also clean the streets and provide services to local families and children.

These services, and the creation and maintenance of community infrastructure, support the wellbeing and prosperity of our community.

We also plan for development and ensure we are accountable for the money we spend.

For more on our achievements, read the 'Our performance' section of this report from page 43. There we talk about how we have delivered our services and the challenges we faced.

Snapshot of key services in 2019-20

- 1,183 planning permit applications received
- 75,848 meals delivered
- 38,899 kilometres of streets swept
- 5,040 trees planted
- 487,202 visitors to our libraries*
- 1,175,728 library loans including 262,429 e-resources and 913,299 physical items, with a 65% increase in loans of e-resources
- 14,794 kids at our 766 children's program sessions at our libraries
- From April to June 2020, all children's programs at our libraries were offered online. This saw:
 - 62 online children's programs offered in English with 40,767 views
 - 19 online storytime sessions offered in Italian, Greek, Arabic and Turkish with 12,412 views
- 893,477 total attendance at Active Moreland facilities**
- 711,209 visits to year-round aquatic and leisure facilities
- 121,981 attendees at Active Moreland water safety and learn-to-swim programs
- 182,268 visits to outdoor aquatic facilities (including Oak Park)
- 104,957 visits to outdoor aquatic facilities (including Oak Park) – just swim
- 8,398 Active Moreland members
- 12,406 dogs and cats registered
- 15,784 tonnes of co-mingled recycling collected
- 11,929 tonnes of food and garden waste collected
- 3,091 tonnes of hard waste collected

- 29,456 tonnes of garbage collected
- Total number of immunisations:
 - 4,095 under 5s
 - 2,561 high school students
 - 1,044 adults

* Due to COVID-19 restrictions, our 5 libraries were closed to the public from Wednesday 18 March until Monday 8 June. From Tuesday 9 June, 3 libraries re-opened with a maximum of 20 people allowed at the one time. These forced closures and restrictions lead to a 37% decrease in library attendance during the 2019-20 financial year.

** Closure of our Active Moreland venues from 18 March due to COVID-19 had a significant impact on attendances and memberships.

COVID-19: how we were affected

The COVID-19 pandemic had an impact on every part of our work in the final months of 2019-20.

Some of our services – like leisure centres – had to close. Others – like our libraries and youth services – had to find new ways to deliver their services.

Most of our core services continued. We kept providing essential support for older or vulnerable residents and increased our services such as providing meals and food relief. We put extra health and hygiene measures in place. We kept collecting waste and recycling, and continued maintaining our roads. We kept maintaining our parks and open spaces, which have been so important for exercise and recreation during the pandemic.

In March we introduced a range of initiatives to help individuals, local businesses and community groups:

- We allowed ratepayers to enter a payment arrangement or defer their rates until 30 June 2021 without any interest charged.
- We began making extra wellbeing checks on our home support residents, and fast-tracked new clients.
- We waived food registration renewal fees for hospitality businesses and refunded fees for cancelled events.
- We turned off parking meters.
- We made sure all artists and contractors affected by the cancellation of the Brunswick Music Festival were paid.
- We waived fees for sporting clubs and gave 3 months of rent relief to tenants in our buildings.
- We also introduced a guarantee of 7-day payment terms for suppliers for the duration of the emergency.
- We made \$80,000 available to support immediate community responses to the pandemic.

Libraries

After our libraries closed, we stopped late fees and introduced a new service – Books to Your Door – in May. From its introduction in early May to the end of June, 244 residents registered for a monthly contactless delivery of a bag of 10 library books.

We also expanded our Home Library Service for older or homebound members of the community. Almost 7,000 extra books were delivered to these people in their homes from March to June.

We continued author talks and storytime online via Facebook and YouTube. Our social groups continued using Microsoft Teams.

We promoted e-resources and provided help with technology over the phone. We also introduced an iPad lending scheme.

Leisure and aquatic centres

All our leisure and aquatic centres closed, and memberships were automatically suspended. We provided online workouts for members and the community to help them keep active.

Young people, older people and families

We modified our Maternal and Child Health service for families. We provided a mix of short face-to-face consultations and telehealth, online support groups and breastfeeding support during this time. Our immunisation services kept running with extra health and hygiene measures in place.

Our Oxygen Youth Space had to close. Our team started to provide direct support to Moreland's young people in different ways. We used text messages and phone and video calls.

We replicated some programs online and developed new initiatives to continue our engagement and support to young people.

We worked to tackle social isolation among our older residents. We began a program of initiatives including:

- linking people via voice and video chat
- increased meal deliveries
- increased shopping support
- loan of iPads
- community art projects.

Community consultations

We made changes to how we engaged with communities on matters that impact and interest them. Between March and June, we continued to talk with our community about key projects. These included:

- our budget
- the Moreland nature plan
- improving community safety at Merri Creek.

We hosted conversations online through our Conversations Moreland website and ran postal surveys. We also organised phone-ins. During these events the community could call us to talk to us about a project.

In May we launched an online portal to help our community continue to connect with us. The portal is called Short Tales: Our Moreland Stories. Community members can share their experiences of the pandemic and feel inspired about a positive future.

Being kind

When the pandemic began, we started a campaign to support community morale. We also wanted to build resilience and make sure locals did not feel alone or isolated. This was our Be Kind campaign.

In a partnership across the organisation, we identified the needs of our more vulnerable community members. From May, we increased our communications to this audience. We promoted health information, as well as information about relief and support services.

We shared our targeted messages in our usual ways. This included our website, social media and extra editions of our *Inside Moreland* magazine. But we also explored other methods of reaching vulnerable groups. These included:

- hard copy mail outs
- a video in different community languages
- community networks.

We engaged 7 newly arrived residents with strong networks within their communities to share important information. They passed on information in their language to other members of the community. These 7 residents speak 6 community languages.

We also provided updates to local service providers and community organisations. They could sign up to receive our regular COVID-19 community support newsletter.

Support for businesses

We designed our Boost for Business programs and activities to help Moreland businesses. These are a range of programs, big and small, that support or enable businesses to stay viable, adapt and respond to their customers and new markets.

Our free online workshops and courses covered a wide range of themes. These included wellbeing, resilience, digital solutions, marketing and more. We also set up a dedicated hotline to help businesses.

Our Love Moreland Buy Local campaign encouraged the community to buy their goods and services locally. We also implemented a trial vacant shop renewal and activation program.

Support for the arts

Our support for local artists grew rapidly as the pandemic unfolded. This support to over 70 artists and arts organisations included:

- enabling changes to our existing requirements to adjust for COVID-19 closures and changes
- supporting grant applications to other levels of government and funding bodies
- linking artists and arts organisations to emergency service providers.

Workforce impacts

Our response to COVID-19 was informed by our Pandemic Plan. We activated our Business Continuity Plan to prevent disruptions to our essential services. We worked in partnership with local and state emergency relief partners to fulfil our responsibilities as outlined in the state relief plans.

We initiated alternative ways to deliver our services. And we implemented extra safety measures to protect staff and customers in our front facing services.

We planned swiftly for the impact of working from home. This meant that when the time came, we were able to mobilise hundreds of staff to work from home within a few short days.

As the pandemic progressed, we activated our emergency management response when this was required and implemented our relief and recovery plan.

We redeployed staff from services that were unable to function as usual. This involved our staff retraining or taking on new duties. These duties supported our adjusted service delivery, business continuity and relief and recovery efforts.

To support our staff, we implemented a safety net for leave during the pandemic. We committed to wage guarantees for casual and part-time staff.

In May we began participating in the State Government's Working for Victoria scheme. This helps Victorians who have lost their jobs during the COVID-19 recession find work. As at 30 June we had recruited 75 of these roles.

We also developed a way to run virtual council meetings over our live-streaming platform.

Community satisfaction

Every year we ask our community how they feel about our services. This is our Community Satisfaction Survey.

The survey asks questions about services including:

- waste management
- parking, roads and footpaths
- public spaces
- planning and decision making
- consultation and communication
- support services, libraries and lobbying
- customer service.

In 2020, there was no significant change in our performance from the previous year. Overall, we achieved an index score of 61. This was 1 higher than the previous year (2019).

A higher score (closer to 100) is better than a lower one.

When asked about the direction of our performance:

- 19% of survey respondents said our performance had got better
- 68% said our performance had stayed the same
- 13% said our performance had got worse.

The community rated a variety of our services highly. These included:

- library services (78)
- supporting the diversity of the Moreland community (75)
- providing arts and cultural opportunities (71)
- recreational facilities (69).

These have consistently been our top-performing service areas over the past 3 years.

Several areas saw improved scores from the previous year. These were:

- family support services (68 in 2020, up from 65 in 2019)
- keeping your local area generally free of litter (63 in 2020, up from 60 in 2019)
- decisions made in the interest of the community (56 in 2020, up from 54 in 2019).

Our lowest levels of satisfaction were in:

- parking facilities (45)
- planning for population growth (45)
- our general town planning policy (46)
- traffic management (49).

These areas have been areas for improvement over the past 3 years.

The survey also asked the community what, in their opinion, should be our main service priority in the next 12 months. The key themes in their feedback were transport and open space/street maintenance.

Awards and citations

Australian Institute of Landscape Architects 2020 VIC Landscape Architecture Awards Civic Landscape Award of Excellence – Brunswick Town Hall precinct streetscape upgrade

Department of Education and Training Victorian Early Years Awards 2019, Category 1: Improving Access and Participation in Early Learning – Word Play, library family literacy program

2019 Victorian Public Healthcare Awards, Secretary's Award for excellence in culturally diverse health highly commended – Word Play, library family literacy program

Stormwater Victoria 2019 Awards for Excellence in Strategic and Master Planning – Chain of Ponds Collaboration, including Moreland City Council, Transforming the Moonee Ponds Creek Through Collective Action

Procurement Australasia 2019 Excellence Awards Social Procurement Award – Regional Collaboration Security Project Group, a partnership of 5 northern councils, Banyule City Council, Whittlesea City Council, Darebin City Council, Moreland City Council and Mitchell Shire Council

Institute of Public Works Engineering Australia (IPWEA) Vic Engineering Excellence Awards Excellence in Innovation Metropolitan Commendation – Regional Collaboration Security Project Group, a partnership of 5 northern councils, Banyule City Council, Whittlesea City Council, Darebin City Council, Moreland City Council and Mitchell Shire Council

Our council

On 22 October 2016, our community elected 11 councillors to represent them. These councillors are elected from 3 wards across our municipality: North-West Ward, North-East Ward and South Ward.

Councillors

Every 4 years, Moreland residents and ratepayers elect our councillors. Together our councillors make decisions in the interests of the whole municipality. The next election is in October 2020.

Council elects the Mayor and a Deputy Mayor each year. In October 2019, Council elected Cr Tapinos as Mayor and Cr Yildiz as Deputy Mayor. They hold these offices until October 2020.

An essential representative role councillors play is participating in a range of committees or groups. These include:

- committees established by Council (advisory committees)
- peak bodies or sector associations
- local and regional forums.

Some councillors are appointed by Council to take the lead in areas of interest, as the 'councillor responsible for'. They make sure key information is available to Council when decisions are made in these areas.

Our councillors for the 2019-20 year were:

South Ward

Councillor Jess Dorney
Councillor Mark Riley
Councillor Lambros Tapinos

North-East Ward

Councillor Natalie Abboud
Councillor Sue Bolton
Councillor Annalivia Carli Hannan
Councillor Ali Irfanli

North-West Ward

Councillor Helen Davidson
Councillor John Kavanagh
Councillor Dale Martin
Councillor Oscar Yildiz JP

Councillors, committees and responsibilities

All councillors are members of the Bell to Moreland Level Crossing Removal Community Advocacy Reference Group and the Chief Executive Officer Employment Matters Advisory Committee.

Mayor Lambros Tapinos

Elected to Council in 2008, 2012 and 2016 and elected Mayor in 2008, 2013 and 2019

Advisory committees: Audit and Risk Management Committee, Brunswick Advisory Group, Coburg Square Oversight Committee (Chair), Saxon Street Oversight Committee, Moreland Community Recognition Committee, Moreland Libraries Advisory Committee

External committees: Northern Councils Alliance, Metropolitan Transport Forum

Councillor responsible for: Place making, economic development and major partnership projects

M 0433 419 075

E ltapinos@moreland.org.au

Deputy Mayor Oscar Yildiz JP

Elected to Council in 2008, 2012 and 2016 and elected Mayor in 2010, 2012 and 2014. Elected Deputy Mayor in 2019

Advisory committees: Audit and Risk Management Committee, Glenroy Advisory Group, Moreland Community Recognition Committee

External committees: Municipal Association of Victoria

Councillor responsible for: Place making, economic development and major partnership projects, infrastructure and waste transition

M 0413 850 357

E oyildiz@moreland.org.au

Cr Natalie Abboud

Elected to Council in 2016, elected Deputy Mayor in 2017 and elected Mayor in 2018

Advisory committees: Coburg Advisory Group, Coburg Square Oversight Committee, Disability Working Group, Moreland Community Recognition Committee, Moreland Transport Advisory Committee

External committees: Merri Creek Management Committee, Metropolitan Transport Forum, Municipal Association of Victoria (substitute)

Councillor responsible for: Status of women, sustainability, climate change and water, transport

M 0499 807 166

E nabboud@moreland.org.au

Cr Sue Bolton

Elected to Council in 2012 and 2016

Advisory committees: Coburg Advisory Group, Moreland Housing Advisory Committee, Disability Working Group, Reconciliation Working Group

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

Advisory committees: Coburg Advisory Group, Family and Children's Services Advisory Committee, Friends of Aileu Community Committee (Chair), Moreland Community Recognition Committee, Youth Facility and Services Steering Committee (Oxygen)

Councillor responsible for: Aged services, early years and youth, recreation and leisure

M 0499 807 095

E acarlihannan@moreland.org.au

Cr Helen Davidson

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

Advisory committees: Glenroy Advisory Group, Family and Children's Services Advisory Committee

Councillor responsible for: Aged services, status of women

M 0403 709 948

E hdavidson@moreland.org.au

Cr Jess Dorney

Elected to Council in 2017

Advisory committees: Brunswick Advisory Group, Saxon Street Oversight Committee, Moreland Transport Advisory Committee, Sustainable Moreland Advisory Group

External committees: CERES Board of Management, Merri Creek Management Committee (substitute), Metropolitan Transport Forum, Metropolitan Local Government Waste Forum

Councillor responsible for: Sustainability, climate change and water

M 0419 560 055

E jdorney@moreland.org.au

Cr Ali Irfanli

Elected to Council in 2016

Advisory committees: Coburg Advisory Group, Coburg Square Oversight Committee

Councillor responsible for: Urban planning

T 9240 1222

E airfanli@moreland.org.au

Cr John Kavanagh

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

Advisory committees: Glenroy Advisory Group, Moreland Community Recognition Committee

Councillor responsible for: Recreation and leisure

M 0427 550 935

E jkavanagh@moreland.org.au

Cr Dale Martin

Elected to Council in 2016

Advisory committees: Glenroy Advisory Group, Moreland Community Recognition Committee, Youth Facility and Services Steering Committee (Oxygen)

Councillor responsible for: Early years and youth, infrastructure and waste transition, urban planning, transport

M 0499 807 075

E dmartin@moreland.org.au

Cr Mark Riley

Elected to Council in 2016 and elected Deputy Mayor in 2018

Advisory committees: Audit and Risk Management Committee, Brunswick Advisory Group, Human Rights and Inclusion Committee, Reconciliation Working Group, Moreland Arts Advisory Committee, Moreland Community Recognition Committee, Moreland Housing Advisory Committee, Saxon Street Oversight Committee

External committees: Northern Alliance for Greenhouse Action Executive, Municipal Association of Victoria (substitute)

Councillor responsible for: Accessible and affordable housing, arts and culture, social diversity, multiculturalism and reconciliation

M 0499 807 044

E mriley@moreland.org.au

Our people

Moreland City Council is led by the chief executive officer and managed by a highly skilled and experienced executive team.

Our executive team

Our staff translate the Council's strategic direction and goals into organisational plans. Our executive team monitors and coordinates our progress against these plans.

Underpinning this work are our values of:

- customer and community first
- respect
- personal accountability
- integrity
- one team.

We strive to live our values – both in the workplace and in our community. High standards of behaviour and ethics are critical to ensuring the community continues to trust our leadership and management.

Chief Executive Officer

Cathy Henderson

Cathy Henderson started as our Chief Executive Officer in December 2019. Cathy brings a distinguished leadership record in local government. She has held senior executive positions in New South Wales and Victoria. She has a Bachelor of Arts and a Master in Public Policy and Management, both from Monash University.

Director City Infrastructure

Grant Thorne

Grant Thorne started as Director City Infrastructure in February 2014. Grant has approximately 26 years of local government experience, in rural, growth and metropolitan councils.

He holds a Bachelor of Engineering and a Graduate Diploma of Management. Grant is also a graduate of the Australian Institute of Company Directors.

Director Community Development

Arden Joseph

Arden Joseph started as Director Community Development in July 2015 (then titled Director Social Development). Arden holds a Bachelor of Business (Public Administration) and has completed the Australian Institute of Company Directors course.

He has held previous directorships in local and state government, and has served on several government boards and committees and on community sector boards in a voluntary capacity.

Executive Manager Finance

Liz Rowland

Liz Rowland started in 2016 as Chief Financial Officer. Liz held the role of Executive Manager Finance in 2019-20.

She holds a Bachelor of Commerce (Professional Accounting) and a Bachelor of Arts (Psychology) and is a Certified Practising Accountant. Before joining Moreland, Liz worked for a state government agency and in the telecommunications industry.

Liz left Moreland to take up an external career opportunity just after the end of 2019-20.

Director Business Transformation

Sue Vujcevic

Sue Vujcevic started as Director Business Transformation in December 2018. Sue has more than 20 years of local government leadership experience.

Sue holds a Bachelor of Applied Science in Planning and a Graduate Diploma in Geospatial Information.

Director City Futures

Kirsten Coster

Kirsten Coster joined Moreland in August 2009 as Director Economic Development.

She holds a Bachelor of Applied Science (Planning) and a Master of Business (Marketing) and has worked in urban development and renewal, land use strategies and major projects in the private and public sectors for almost 30 years. Kirsten has spent more than 20 years in local government across 3 councils.

Director Engagement and Partnerships

Joseph Tabacco

Joseph Tabacco started as Director Engagement and Partnerships in December 2018. Joseph has more than 20 years of diverse local government leadership experience in metropolitan, peri-urban and rural settings.

He has also held several executive and non-executive director roles on boards throughout Victoria. He holds a Diploma of Local Government (Governance and Administration) and a Bachelor of Business (Marketing).

Organisational structure					
Chief Executive Officer Cathy Henderson					
Director City Infrastructure Grant Thorne	Director Community Development Arden Joseph	Director Business Transformation Sue Vujcevic	Director City Futures Kirsten Coster	Director Engagement and Partnerships Joseph Tabacco	Executive Manager Finance and Business Systems Liz Rowland
Areas of responsibility: - capital works planning and delivery - open space and street cleansing - roads, fleet and waste services - amenity and compliance - project management office.	Areas of responsibility: - aged and community support - cultural development - early years and youth - community wellbeing.	Areas of responsibility: - human resources operations, including occupational health and safety - organisational performance - information technology - corporate governance, including risk management, corporate planning, internal audit and facilities management.	Areas of responsibility: - city development, including urban planning, building compliance and environmental health - city strategy and design, including strategic planning, urban design, affordable housing and research - city change, including strategic transport, waste behaviour change, development advice and environmentally sustainable design.	Areas of responsibility: - places and major partnerships projects - community engagement incorporating customer service, complaints resolution, community engagement and participation, communication and marketing - economic development.	Areas of responsibility: - finance management - procurement - rates collection and valuation - property.
Manager Capital Works Planning and Delivery Greg Gale	Manager Aged and Community Support Ros Pruden	Manager Human Resources Operations Vanessa O'Toole	Group Manager City Development Phillip Priest	Manager Places and Major Partnerships Giovanna Savini	

Manager Open Space and Street Cleansing Andrew Dodd	Manager Cultural Development Genimaree Panozzo (Georgina Earl, acting from March 2020)	Manager Organisational Performance Trisha Love	Manager City Strategy and Design Narelle Jennings (acting)	Manager Community Engagement Jessamy Nicholas	
Manager Roads, Fleet and Waste Karen Davies	Manager Early Years and Youth Barry Hahn	Manager Information Technology Robert Raiskums	Manager City Change Olivia Wright	Manager Economic Development Maria-Luisa Nardella	
Manager Amenity and Compliance Sandra Troise	Manager Community Wellbeing Bernadette Hetherington	Manager Corporate Governance Jodie Watson			

Our staff

A summary of the number of FTE (full-time equivalent) staff categorised by employment classification and gender.

Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	SO/SEO/Other	Total FTE
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	
Permanent full time – female			8.0	43.0	43.9	43.0	23.0	10.0	26.3	197.3
Permanent full time – male			37.0	81.0	75.9	40.0	38.7	10.0	21.0	303.7
Permanent part time – female	20.0	63.7	13.3	23.9	20.0	16.9	8.3	28.6		194.5
Permanent part time – male	5.6	12.4	1.9	2.9	0.8	1.4	2.9			27.8
Temporary female		0.6	1.6	7.9	12.3	11.5	6.0	4.6	7.8	52.3
Temporary male			3.1	1.7	3.6	11.4	7.0	1.0	11.8	39.5
Casual	0.1	0.3	0.2	0.2	0.1	0.1		0.1		1.0
Total FTE	25.6	77.0	65.1	160.6	156.6	124.2	85.9	54.3	67.0	816.1

A summary of the number of FTE staff categorised by organisational structure, employment type and gender.

Structure	Business Transformation	CEO Office	City Futures	City Infrastructure	Community Development	Engagement and Partnerships	Finance and Property	
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	Total FTE
Permanent full time – female	23.8	1.0	40.0	31.9	63.0	21.5	16.0	197.3
Permanent full time – male	22.0	0.0	39.0	199.9	29.7	6.0	7.0	303.7
Permanent part time – female	11.7	0.7	9.0	13.3	143.3	14.2	2.4	194.5
Permanent part time – male	1.3	0.0	1.6	5.7	17.7	1.5	0.0	27.8
Temporary – female	8.1	1.0	15.3	3.0	21.2	2.8	1.0	52.3
Temporary – male	11.0	0.0	9.1	8.5	6.0	4.0	1.0	39.5
Casual	0.1	0.0	0.0	0.1	0.8	0.0	0.0	1.0
Total	78.0	2.7	113.9	262.5	281.8	49.9	27.4	816.1

Inclusive employment

We are proud to support our employees. We facilitate flexible working arrangements to help them fulfil their professional, personal and caring responsibilities.

Support for parents returning to work following parental leave is high. Part-time and job-share arrangements are accommodated in different areas of the organisation.

Work experience for secondary and tertiary students continued across a broad range of services in the first half of 2019-20. This was suspended with most staff working from home due to COVID-19 and unable to offer onsite support to students.

We are planning for a 2020-21 traineeship program for people with disabilities, as well as future targeted employment programs to promote inclusion and diversity.

Service awards

We acknowledged the contribution of our employees through the presentation of service awards. In 2019-20, we presented service awards to 62 employees whose employment with us ranged from 5 to 35 years.

Building our organisational capability

The 2019-20 year has seen us continue our strong focus on our culture. We have also emphasised the important role of leadership in driving cultural change. We need an engaged and diverse workforce, with effective leaders. Without this we cannot deliver results for our community.

During the COVID-19 pandemic, we supported leadership development by:

- creating a system to allow under-utilised staff to be redeployed to parts of the organisation needing extra support. This allowed staff to access new opportunities. It also made good use of resources and supported our response and recovery efforts
- running staff support sessions and specifically tailored team workshops. These helped build change capability and resilience, while addressing the practical needs of staff
- regular cross organisational meetings and communications with opportunities for practical learning and professional development for staff
- distributing a survey to test what Moreland was doing well for staff and what could be improved. Around 600 staff responded. The survey captured information that will be of ongoing benefit.

We continue to provide innovative and evolving leadership development programs for our staff. We will continue building an organisational culture that is committed to customer service and continuous improvement.

Corporate training

We are committed to investing in our employees through development and training. By building our internal capacity, we contribute to improving the performance of the organisation.

Category	Courses run	Attendees (instances)
Occupational health and safety	14	148
Leadership and management	20	364
Business and workplace effectiveness	22	231
Compliance (face to face)	16	457
Compliance (online)	8	1,102
Self-care programs	8	121
Recruitment – in house program	4	43
Total	159	2,466

Occupational health, safety and risk

We are committed to providing a healthy and safe environment for all employees, contractors, visitors and members of the public.

Occupational health and safety

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 all our employees, contractors and visitors understand their duties and cooperate with us in our actions around workplace and community safety.

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

Key safety initiatives undertaken during this year include:

- SafetyMAP surveillance audits in Social Support Services, Aquatic and Leisure Services, Youth Services, Amenity and Compliance, and Property Services
- safety, health and wellbeing coaching for managers, supervisors and coordinators
- endorsement of our occupational health and safety (OHS) road map. This will guide our strategic approach to health and safety over the next 3 years.

Occupational health and safety training 2019-20

Course	Courses run	Attendees (instances)
Chemical safety awareness training	2	23
Compliance training	online	1,190
Mental health awareness training	9	104
Emergency management training	10	64
Traffic and roads awareness training	3	25
OHS and injury management training	5	102
Manual handling training	12	168
Total	41	1,676

Injury management

We take the safety, health and wellbeing of our employees seriously.

Where an employee is injured at work, we offer them access to an early intervention program. This is to ensure treatment to their injury starts as soon as reasonably practicable. When an employee submits a WorkCover claim, the claim is actively managed to ensure, as far as is practicable, an early, safe and sustainable return to work.

There were 403 incidents reported during this year. These incidents represented:

- 100 near misses
- 74 motor vehicle incidents
- 27 plant and equipment incidents
- 43 hazards.

There were 159 injuries represented across the 403 incidents.

We provide a range of programs and targeted interventions to prevent injuries from occurring. Ongoing initiatives include the:

- early intervention program
- manual handling task-specific training
- ergonomic assessments
- a targeted health and wellbeing program
- injury management results.

Injury management results

Incidents reported (including injuries)	403
Injuries reported	159
Claims	26
Average claim cost	\$69,763
Employees returned to work*	22
Staff who did not return to work	3

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

Employee health and wellbeing

We support our employees to manage their health and wellbeing through ongoing education programs and initiatives.

Mental health was the focus of our health and wellbeing program over the past 12 months. In 2019 we invited Hakeem al-Araibi as a guest speaker. Hakeem is a local soccer player of Bahraini descent who fled to Australia in 2014. He became known to the broader community in 2018 when he was arrested and imprisoned in Thailand and threatened with deportation. Hakeem reflected on the impact these events had on his mental wellbeing.

Employees participated in a range of physical activity sessions at Coburg Leisure Centre during the year. We also delivered short seminars covering topics including nutrition, mindfulness and breast health.

Risk management

There has been ongoing development and strengthening of our risk management practices throughout the year.

Risk management continues to be embedded into our business practices and culture. This is through a range of risk initiatives across the organisation.

We initiated an audit of our Risk Management Framework through the annual internal audit program. This audit provided a series of opportunities to strengthen our:

- risk management framework
- practices
- culture.

Recommendations formed the foundation of a Risk Management Improvement Plan. The Audit and Risk Committee endorsed this plan.

We established risk appetite statements through workshops with executive and councillors. We then incorporated these into a review of the Enterprise Risk Management Framework in November 2019.

In April 2020 we appointed the position of Chief Risk Officer. It is held by the Unit Manager Integrity, Risk and Resilience.

The *Local Government Act 2020* (the 'Act') was passed into legislation on 24 March 2020. It commenced, in part, on 6 April 2020. The Act necessitated changes to the Audit and Risk Management Committee and committee charter.

The Audit and Risk Management Committee met 4 times throughout the year. This was before the formation of the new Audit and Risk Committee and adoption of the committee charter in May, in accordance with the *Local Government Act 2020*. The first meeting of the new committee was on 23 June 2020. It is our key management governance committee for risk management and operates as a sub-committee of the executive group.

The committee met at regular intervals throughout the year to fulfil its responsibilities. These are to provide senior management with detailed and timely insight into the organisation's key risks and controls. The committee was redesigned in May 2020 in accordance with the Risk Improvement Plan. Membership of the committee was elevated to managers representing all departments across the organisation. A member of the executive team is the chair.

Operational and strategic risks continue to be routinely reviewed. This ensures risk controls remain effective and treatment plans progress. This is so that our risks sit within established risk appetite and tolerance levels.

Our internal audit program undertook audits across the business. These were aimed at providing assurance with legislative and statutory compliance, including business policies and procedures.

We undertook fraud risk training workshops across all departments, including level 2 to 4 management. We also:

- established a fraud risk library
- updated the fraud risks
- established a fraud risk profile for the organisation.

Our Business Continuity Plan is meeting organisational needs through its current activation during the COVID-19 pandemic. We established a Business Continuity Coordination Group. This was to facilitate the practical needs of the organisation and to provide support during the pandemic. The Business Continuity Plan and sub plans were updated.

Our Risk Management Policy was reviewed as part of the Risk Improvement Plan, incorporating the Risk Appetite Statements and with a planned transition to a policy adopted by Council. This review incorporated 12 recommendations arising from the Risk Management Framework Audit Report. This policy was scheduled to be presented to Council for consideration of adoption on 12 August 2020.

The Enterprise Risk Management Framework was reviewed as part of the Risk Improvement Plan. This was as part of continuous improvement. This review incorporated 12 recommendations arising from Risk Management Framework Audit Report. Our enterprise risk management program is now further aligned to the principles and requirements of the International Standard ISO 31000 2018 – Risk Management guidelines. The framework was scheduled to be presented to executive for chief executive officer endorsement on 14 July 2020.

We have made many improvements and changes across risk management. These have strengthened our risk culture and ensured that our risk management continues to be:

- integrated
- structured
- customised, based on best and current information
- inclusive
- dynamic.

Our performance

Planning and accountability framework

Our integrated planning framework shows the relationship between our vision, strategies, plans, budgets and programs that drive our service delivery, projects and how we allocate resources.

Moreland Community Vision 2025	Key thematic strategies including municipal health and wellbeing plan, municipal strategic statement, economic development, open space, climate change, transport, structure plans
Council Plan 2017-21 Articulation of the strategic objectives	
Includes	
4-year council implementation plan A roadmap of initiatives and projects to deliver on the strategic objectives in the Council Plan 2017-21	
Strategic resource plan Resources for implementing the action plan including the capital works program	
Annual council action plan Detailed annual action plan to deliver on initiatives and projects in the council roadmap	
Annual budget	Advocacy program

Council plan

Our Council Plan 2017-21 sets the strategic direction for the corresponding 4-year council term. It was informed by extensive consultation with the community, councillors and staff. This consultation took place between January and April 2017.

The plan was also guided by the Moreland 2025 Community Vision. Other existing strategies, research and internal and external policies and plans fed into the plan as well.

Our Council Plan 2017-21 is framed around an overarching vision and 3 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 Moreland Council with guidance and focus. The objectives are supported by key priorities that inform the specific actions we will take for the benefit of the community.

We also produce a strategic resource plan. This spans beyond the life of the council plan. It outlines the resourcing for implementation, including our capital works program.

Each year we develop a council action plan. This plan references the 4-year council plan and strategic resource plan.

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	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
Strategic objectives	1. Connected community		2. Progressive city		3. Responsible council	
Key priorities	1. Achieve higher levels of social cohesion for our multicultural, established and newly arrived community by fostering opportunities for shared learning and celebration. 2. Set a clear vision and strategy for aquatics, leisure and sporting facilities to meet ongoing community needs. 3. Determine the best way for Moreland to continue supporting our community throughout, and after aged care and National Disability Insurance Scheme reforms. 4. Enhance family and children's services to meet the needs of Moreland's growing population and increasing birth rate. 5. Better equip our young people for employment and provide opportunities to		1. Enhance liveability, affordability and sustainability by guiding growth and excellence in urban design and development. 2. Facilitate a demonstrable shift to more sustainable modes of transport that also targets a long-term reduction in car use. 3. Support the local economy and trading environments to enhance economic activity and promote local jobs. 4. Increase tree canopy cover, enhance existing open space and create at least 2 new parks in areas with the lowest access to open space. 5. Move to a proactive approach to managing construction impacts resulting from population growth in our city.		1. Improve resident satisfaction to 90% with Council's performance in customer service. 2. Reach the top 25% of all councils for improved community satisfaction with Council's engagement practices. 3. Maintain and match our infrastructure to community needs and population growth. 4. Provide transparent and effective governance of Council's operations. 5. Operate without seeking an exemption from the rate cap through efficient use of Council's skills and financial resources. 6. Enable Council's workforce to be	

	actively participate in civic life. 6. Help people feel safer in our neighbourhoods.	6. Develop a clear and funded approach to achieve zero carbon emissions by 2040. 7. Invest in the revitalisation of shopping and trading precincts. 8. Strengthen and invest in the significant creative sector in Moreland and enhance its standing as a destination for the arts. 9. Enhance the environmental outcomes of Council waste services and increase community awareness/participation in environmental initiatives to reduce waste to landfill.	mobile and accessible, supported by smart and efficient technologies.
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Performance against our objectives

We monitor and report on our performance through monthly, quarterly and annual reports. This ensures we are accountable, transparent and comply with legislation.

Here we have reported our performance against our 3 strategic objectives. It is broken into:

1. **Results of strategic indicators in the council plan.** Strategic indicators are a set of key measures used to determine a council's 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 that sets out the key activities to be implemented within the financial year. These are activities to achieve the objectives of the council plan. The major initiatives from the 2019-20 council action plan are referenced in this section of the annual report.
3. **Description of services funded in the 2019-20 budget,** as aligned to the council plan key priority areas. As well as the actual cost of services in the 2019-20 financial period and any variances.
4. **Results of prescribed service performance indicators and measures.** These are 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).

This is how our 2019-20 budget breaks down across our 3 council-plan strategic objectives:

- 19% Progressive city
- 51% Connected community
- 30% Responsible council

Local Government Performance Reporting Framework

This is what is included in Local Government Performance Reporting Framework (LGPRF) reporting:

- 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 131. The below includes commentary and figures in addition to the LGPRF requirements met in the Performance Statement, which is auditable by the Victorian Auditor-General's Office.

Strategic objective 1: Connected community

Key priority 1

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

Strategic indicator	2019-20 result	Comments
People feel that we support the diversity of the Moreland community	96% satisfaction achieved	According to the Moreland City Council Customer Satisfaction Survey 2020, we were rated at 96% satisfied for our performance in supporting the diversity of the Moreland community. This result is a 1% increase in comparison to the previous year.
Major initiatives	Progress	
Social Cohesion Plan: implementation and monitoring of the Social Cohesion Plan	A social cohesion project was delivered by the Glenroy Neighbourhood Learning Centre to enable local outreach activities with a focus on increasing the social and economic participation of young people, people from migrant backgrounds and people seeking employment. During the year participants of the Democracy Lab were recruited and a program established to support community-led ideas and build connections in Moreland for civic participation. The Connecting Women in Moreland project was run by VICSEG New Futures, a Coburg-based not-for-profit community organisation. The project will establish 4 intercultural women's groups in the north of the	

	municipality to foster gender equity and social cohesion. It will include women from newly arrived backgrounds and existing communities. Fawkner Food Bowls is a resident-led group growing food, sharing skills and socialising in a family-friendly space. The project will strengthen social cohesion across the diverse communities of Fawkner by: • inviting newly arrived diverse communities to Fawkner Food Bowls • promoting intercultural connection through gardening, cooking and sharing food and food knowledge • holding food events, activities and workshops organised with residents from multicultural communities. The COVID-19 pandemic impacted these projects, reducing the opportunity for participants to come together from March 2020.
Food System Strategy implementation: Fawkner Food Bowls garden developed and established	A report mapping the key contributors to the Food Hub in the North was completed to inform a feasibility study. Work began for a feasibility study, however the COVID-19 pandemic affected progress because community consultation had to be delayed due to restrictions. Further progress is anticipated in 2020-21.
Library Services Strategy implementation	We purchased equipment for Maker Space activities and a program of activities was begun. Our programs included various craft workshops. The Maker Spaces, equipment and programming have embedded creative pastimes into the daily operations of the library. We also conducted community consultation on library opening hours. As a result, we recommended changes to opening hours of 4 libraries. The next step will be to present the proposed opening hours to council and trial the revised opening hours in 2021. The COVID-19 pandemic caused temporary closure of libraries from March 2020. Arising from this, remote access to library services was enabled by: • all programming online via Facebook and YouTube, such as author talks and storytime sessions • social groups such as conversation classes and book groups continued via Microsoft Teams • promoting e-resources such as databases, e-books, e-audio, music and movie streaming, Encyclopedia Britannica

- expanding eligibility for Home Library deliveries to include those instructed to self-isolate
- introducing Books to Your Door home delivery service for all of Moreland
- phone service available Monday to Friday, 9am to 5pm
- technology assistance available over the phone
- introducing an iPad lending scheme
- free Wi-Fi available outside libraries during lockdown stages 2 and 3.

The following statement provides information in relation to the services funded in the 2019-20 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service	Description	Actual revenue		Variance \$000
		<u>Actual expenditure</u>		
		Total		
		\$000		
Library Services and Resources	This service provides library lending services, programs and extension services, information services and facilities.	(1,287) <u>5,932</u> 4,644	(1,306) <u>5,510</u> 4,204	440 <i>Variance note:</i> Libraries had several ongoing vacancies that were not filled for part or the whole of the year due to COVID-19 related closures.
Community Development and Social Policy	This service aims to enhance community wellbeing through the implementation of social policy and community development, and assists communities to become	(59) <u>1,730</u> 1,671	(157) <u>1,731</u> 1,574	97

	empowered to meet their own needs and aspirations, and to navigate issues that impact on their health and wellbeing.					
Service Performance Indicators – Results						
Libraries						
Service indicator	2016	2017	2018	2019	2020	Comments
Libraries Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	5.13	4.32	4.27	4.17	4.16	The slight reduction in physical usage reflects the impact of COVID-19 on library resources. This included closures for 11 weeks and limited reopening for an additional 4-week period. Unique visits to the library website increased by 13% and usage of e-resources grew 65%, while the home library service expanded to respond to significant increase in demand due to COVID-19 lockdown.

Resource Standard Standard of library collection [Number of library collection items purchased in the last five years / Number of library collection items] x 100	78.08%	75.34%	75.72%	74.64%	73.61%	We continue to invest in our collection. We have had a slight reduction from last year due to weeding, database purge and collection cessation. We have strengthened the quality of our collection for our community. This includes previous investment in stack collections that include older materials, hard to replace and classic resources in culturally and linguistically diverse languages, and holiday-themed children's books. Public Libraries Victoria has advised the sector in their approach to inclusions for this measure, excluding some of the digital collections that we had previously included.
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$7.49	\$7.19	\$7.54	\$8.04	\$26.92	There is a strong commitment to and investment in library services, which were adjusted during COVID-19 to provide a continuous service delivery to the community through the home delivery services. This measure is adjusted this year and comparisons cannot be made to the previous year.
Participation Active library members [Number of active library members / Municipal population] x100	15.15%	15.63%	14.85%	13.85%	13.65%	The number of active library members has declined marginally, acknowledging the impact of COVID-19 related closures for 11 weeks and limited reopening for an additional 4-week period.

Key priority 2

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

Strategic indicator / measure	2019-20 result	Comments
Set a clear vision and strategy for aquatics, leisure and sporting facilities to meet ongoing community needs.	71% achieved	The Aquatic and Leisure Strategy 2018-38 was endorsed during 2017-18. The Moreland Sport and Active Recreation Strategy Framework was endorsed in 2019-20.
Major initiatives	Progress	
Using the upgraded Oak Park Sports and Aquatic Centre	Between 1 July 2019 and 18 March 2020, the upgraded Oak Park Sports and Aquatic Centre had: • 154,806 attendees • sold 10,566 water slide passes • hosted 28 school swim carnivals (6 were cancelled due to weather and COVID-19) • 4 learn to swim programs • 1,684 members (1,553 of these were sole users of Oak Park and 131 had a universal membership to access all of Moreland's aquatic and leisure facilities). Poor air quality resulting from the summer bushfires, followed by the COVID-19 pandemic, affected community access to Oak Park Sports and Aquatic Centre and other council facilities.	

Municipal Health and Wellbeing Plan implementation	The Municipal Public Health and Wellbeing Plan 2017-2021 is a whole-of-council plan that outlines our strategic health and wellbeing priorities for the municipality. The plan identifies 86 priorities to guide our work in public health and wellbeing across 15 outcome areas and 2 themes: Healthy Communities and Liveable Neighbourhoods. In 2019-20, 151 actions have progressed, as outlined in the report presented to council in September along with an infographic of the summary of highlights. Due to the impact of COVID-19 several actions were put on hold, evolved to respond to emerging issues or were new actions addressing identified needs. Some of the highlights include: • completing Count Me in Too, with 601 women and girls participating in 56 culturally inclusive sporting opportunities • launching the Moreland Play Streets program, with 2 events held in early 2020 • upgrading facilities at Brunswick Baths, including a 24/7 gym, indoor pool improvements and 2 group fitness spaces (1 being a wellness space) • acquiring 6 sites to implement the A Park Close to Home program to provide more open spaces in Moreland's residential areas.
Enabling women's and girls' participation in sport across Moreland	Female-friendly changerooms were constructed at Reddish Reserve. Progress for the Cole Reserve female-friendly changerooms was impacted by the COVID-19 pandemic because social distancing requirements are affecting construction of modular buildings made in warehouses.
Improving active sporting infrastructure	A pool was reprofiled at the Brunswick Baths and works progressed for modifying the changerooms at the Coburg Leisure Centre. Progress for the changerooms was delayed due to the COVID-19 pandemic, associated with shipping filters from overseas. The clubhouse at the Glen Cairn Tennis Club was completed.

We adopted the Moreland Sport and Active Recreation Strategy in November 2019. Yearly action plans for the implementation of the plan have been developed to guide the strategic work.

The following statement provides information in relation to the services funded in the 2019-20 budget, the actual cost, and the persons or sections of the community who are provided with the service.

Service Performance Indicators: Results	Description	Budgeted revenue	Actual revenue	Variance \$000
		<u>Budgeted Expenditure</u>	<u>Actual expenditure</u>	
		Total	Total	
		\$000	\$000	
Aquatics and Community Venues	This service provides contract management of the appointed service provider for: • Active Moreland aquatic and leisure services • 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	(55) <u>3,712</u> 3,658	(287) <u>2,355</u> 2,068	1,590 <i>Variance note:</i> The variance is due to the centralisation of the utilities charges during the year which has inflated the savings made.

	planning and project supervision • policy development and review. This service provides accessible, well-utilised council venues/hire facilities that meet community needs, through the management of 20 venues including small halls, senior citizen centres and external meeting rooms. This service also responds to the aspirations of the people of Aileu, Timor-Leste, as they build their democratic local government and work towards an inclusive, prosperous and sustainable future, as well as sharing the benefits of the friendship between the Aileu community and the Moreland community.			
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	(331) <u>1,496</u> 1,165	(246) <u>1,633</u> 1,387	(221)

	enhancing the capacity of local recreation, sporting clubs and community organisations to deliver services.			
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Service Performance Indicators – Results

Aquatic facilities

Service indicator / measure	2016	2017	2018	2019	2020	Comments
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	1.50	1.17	1.00	0.83	0.83	5 of the 6 pools were inspected by an authorised officer over the summer season. Due to COVID-19 resulting in the early closure of pools, it was not possible to complete the sixth inspection before the end of the financial year.
Health and safety Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	9	2	2	5	2	There were 2 reportable WorkSafe incidents during 2019-20.

Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$0.06	\$0.88	\$0.75	\$0.61	No longer applicable	The cost of indoor aquatic facilities has been retired – refer AF7.
Service cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$8.82	\$9.14	\$7.28	\$8.18	No longer applicable	The cost of indoor aquatic facilities has been retired – refer AF7.
Service cost (AF7) Cost of outdoor aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to the aquatic facilities]	N/A	N/A	N/A	N/A	\$2.57	This is a new indicator for 2019-2020. Previously it was split into 2 indicators (see above). The combined cost of indoor and outdoor facilities has been impacted by a range of planned and unplanned events, including: • closures for capital works • closures due to poor air quality during the summer bushfires • closures and restrictions on use due to COVID-19 restrictions.

						This resulted in a significant decrease in revenue to offset expenditure, which in turn reports a higher cost than projected.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.49	5.51	5.30	6.18	4.49	Utilisation of the facilities were impacted by a range of planned and unplanned events, including: - capital works to upgrade facilities (Brunswick, Fawkner, Coburg) - closures due to poor air quality during the summer bushfires - COVID-19 restrictions. These events resulted in a decrease in utilisation across all facilities.

Key priority 3

Determine the best way for us to continue supporting our community throughout and after aged care and National Disability Insurance Scheme reforms.

Strategic indicator / measure	2019-20 result	Comments
Clarity on how we will support the community in aged care and disability.	33% actions achieved	We accepted funding extensions for both the Regional Assessment Service and Commonwealth Home Support Programme.
Major initiatives	Progress	

Living and Ageing Well Framework implementation	A Living and Ageing Well Officer was appointed and an action plan developed from the framework. During the year, the Age Friendly Ambassadors program was developed but progress was impacted by the COVID-19 pandemic. An internal Social Connection for Older People working group was established in response to social isolation concerns for older people during the pandemic. A program of initiatives has begun. These include linking people via voice and video chat, increased meal deliveries, increased shopping support, loan of iPads and community art projects. Arising from the need to support older people through the COVID-19 pandemic, a progress report to council for implementing the Living and Ageing Well in Moreland Framework has been rescheduled into 2020-21.
Enabling aged care reforms	The Royal Commission into Aged Care Quality and Safety suspended all hearings and workshops during the pandemic. Future findings are expected to impact the Commonwealth Home Support Program (CHSP). A CHSP funding agreement extension to 30 June 2022 was received and executed. We will continue to deliver CHSP services to at least 30 June 2022. The focus during the COVID-19 pandemic has been to adapt services to meet the changing needs of older people and to support them to stay well.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total	Total	

		\$000	\$000	
Social Support Services	This service delivers a number of specific social support programs, including Community Transport, Food Services, Planned Activity Group (which provides activities and lunch for eligible socially isolated residents in low cost or insecure accommodation) and the provision of information and support to older community residents and senior citizens groups.	(717) <u>3,251</u> 2,534	(667) <u>1,814</u> 1,147	1,387 <i>Variance note:</i> The favourable result is due to a decreased demand for services along with staff savings.
Home Care	This service assists residents to remain living at home independently in a safe and secure environment. Specific services include home maintenance, home support, respite support and personal support.	(8,070) <u>10,563</u> 2,493	(7,951) <u>10,698</u> 2,747	(254)
Assessment Services	This service provides the Home and Community Care program to older people and people with a disability and their carers. It provides referrals to and information about other related services, and assistance with care coordination.	(830) <u>1,227</u> 397	(844) <u>1,141</u> 296	101

Key priority 4

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

Strategic indicator / measure	2019-20 result	Comments
To keep pace with population and birth rate growth.	75% actions achieved	In 2019-20, 2,749 birth notifications were received in Moreland and 2,749 were enrolled in Moreland's Maternal and Child Health (MCH) service. Following a birth notification in Moreland, Council's MCH service proactively contacts all families.
Major initiatives	Progress	
Moreland Play Strategy implementation	We encourage increased participation of adults and children in passive outdoor activities through our annual playground upgrade program. During the year, the following reserves were upgraded: • Johns Reserve, West Brunswick • Anderson Reserve, Coburg • Oak Park Reserve, Oak Park • Palazzolo Park (Willow Grove)/Mailer Reserve Coburg • Raeburn Reserve, Pascoe Vale • Hudson Reserve, West Brunswick.	
Moreland Early Years Strategy implementation: improving Maternal and Child Health	A concept plan for the refurbishment of the Merlynston Maternal and Child Health Centre was prepared. A partnership was set up with the organisation Dads Group, and 5 dads' groups were established in Moreland.	

	The Hadfield Maternal and Child Health and Kindergarten Centre concept preparation has been rescheduled. The feasibility of redeveloping the Hadfield MCH and kindergarten will be reconsidered in future budgets, once details of the Victorian Government's capital works funding program for enabling universal access to 3-year-old kindergarten is known.
Moreland Early Years Strategy implementation: enabling immunisations	The number of immunisations in 2019-20 was: • Under 5s: 4,095 • High-school students: 2,561 • Adults: 1,044.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Maternal and Child Health (MCH) and immunisations	The MCH and immunisations services support the optimal health and development of young children and families in their parenting role. Specific activities include: • parenting support and education	(1,981) <u>5,280</u> 3,298	(1,999) <u>5,684</u> 3,684	(386)

	• health promotion • immunisations • monitoring of growth and development in children • early identification and attention to child and family health issues.			
Children's Services	This service provides: • early years advocacy and planning • infrastructure management • professional training • network facilitation • resourcing and support to child care, kindergarten and playgroup providers • facilitation of supported playgroups • kindergarten central enrolment and child care central registration for families to access Moreland programs • support to families and children through the Family Day Care and Primary School Holiday Programs.	(1,577) <u>3,080</u> 1,503	(1,377) <u>2,975</u> 1,598	(95)

Service Performance Indicators – Results

Maternal and Child Health						
Service Indicator / measure	2016	2017	2018	2019	2020	Comments
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x 100	94.58%	90.02%	88.90%	91.12%	No longer applicable	As of 1 July 2019, MC1 has been replaced by MC6. Councils are no longer required to report to this indicator.
Participation (MC6) Percentage of infants enrolled in the MCH service who participated in 4-week Key Age and Stage (KAS) visits. [Number of 4-week KAS visits / Number of birth notification received]	N/A	N/A	N/A	N/A	87.02%	New indicator and therefore we cannot compare with previous year's data. indicator and therefore we cannot compare with previous year's data. We make contact with 100% of families following a birth. In some cases, families opt to seek alternative support services as their child grows. Our service assists families to connect with other community support services and networks.
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth	101.04 %	101.83 %	101.33 %	101.41 %	101.07 %	These figures show the number of children who are enrolled in our MCH service from the birth notifications that we receive. Enrolments are consistent with previous years with a marginal decrease.

notifications received) / Number of birth notifications received] x 100						
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$81.80	\$85.63	\$75.21	\$73.87	\$73.87	The cost of the MCH service is consistent with previous years, noting that our response to COVID-19 has required additional MCH hours to meet demand through a modified service delivery model.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	68.65%	67.87%	69.61%	71.41%	72.27%	Due to COVID-19 we have had to prioritise which KAS consults are completed so increase is minimal this year. We make contact with 100% of families following a birth. In some cases, families opt to seek alternative support services as their child grows. Our service assists families to connect with other community support services and networks.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	53.75%	61.90%	65.12%	77.78%	71.43%	Rates of enrolment from Aboriginal and Torres Strait Islander families reduced compared to last year. Some Aboriginal families choose to access MCH services from an Aboriginal Community Controlled Health Service which is available in a neighbouring municipality.

Key priority 5

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

Strategic indicator / measure	2019-20 result	Comments
People feel that we support the provision of opportunities for young people.	84% satisfaction achieved	According to the Moreland City Council Customer Satisfaction Survey 2020, we were rated at 84% satisfied for our performance in providing a range of youth space options that meet the needs of young people. This result is a 1% increase in comparison to the previous year.
Major initiatives	Progress	
Youth Strategy: development and implementation	We adopted the final Youth Strategy in August 2019. We then prepared and approved an implementation plan in December 2019. Subsequent progress has included: • completing an Early Years and Youth Vision Statement to integrate services for children, young people and families. This will guide the development of the Early Years and Youth Plan • young people co-designing a Youth Summit – ‘Enhancing Youth Voice and Participation’ • funding for the establishment of a new Youth Participation and Engagement model was approved and planning and recruitment is underway • funding approved to expand our reach to the northern suburbs of Moreland and includes the creation of a new Youth Community Outreach role to help us increase our capacity for provision in the north • approving the Inclusive Employment Initiative for funding, to provide traineeship opportunities for 5 people with a disability • holding a Youth Mental Health Q&A Forum in October 2019 for World Mental Health Day	

	• Moreland Youth, as part of the Inner Northern Youth Employment Taskforce, joined the 'scenario planning project' in partnership with the Inner Northern Local Learning and Employment Network and RMIT – UNEVOC, with the aim to develop informed responses to the impact of COVID-10 on young people, focusing on employment • completing a resilience survey with more than 1,300 young people in Moreland participating, and continuing work with schools to develop projects in response to survey results • funding approved to support the delivery of Operation Newstart in Moreland over the next 3 years, a personal development and adventure program supporting young people at risk of leaving school early to reengage in education. During the COVID-19 pandemic, we provided youth support in many ways: • We contacted service-users regularly via telephone, text message and video calls. • We expanded the Youth Support Program to ensure vulnerable young were supported throughout. • We moved programs (such as Freeza Youth Music, Icicles Studios and Oxygen drop-in) to online and developed new initiatives to continue our engagement and support for young people. • We partnered with Headspace Glenroy and Jesuit Social Support Services to support young people's education and mental health. We held a series of information sessions to increase awareness of, and educate teachers and families in relation to, youth online gaming and the risks of gambling. This was done in partnership with Gamblers Help and members of the Moreland Youth Commitment Network.
Oxygen – Moreland Youth Services	Oxygen – Moreland Youth Services is our main service to young people and is resourced by youth workers who are committed to improving the lives of young people. The service connects young people to free social and recreational activities. During the 9-month period before COVID-19 (July 2019 to March 2020), Oxygen Youth Space had a total number of 15,102 visits – an average of 57 a day. A range of external community agencies also used our space. We also hosted our own community events and facilitated local school tours of the space.

Unfortunately, in March 2020 the bulk of our programs were suspended due to COVID-19 and Oxygen closed. However, we continued to offer direct support to young people through our Youth Support Program and provided other opportunities for them to engage and develop skills through our virtual programs (such as Amped Up TV and Icicles Studios) and other creative projects, including an intergenerational arts project.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Youth Services	This service aims to enhance the lives of young people and provide safe, supportive and engaging services, spaces and programs for them to learn and develop, connect and socialise. Specific service activities include: • service planning and development • facility management • program delivery	(132) <u>1,254</u> 1,122	(124) <u>1,313</u> 1,189	(67)

	• planning and partnerships.			
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Key priority 6

Help people feel safer in our neighbourhoods.

Strategic indicator / measure	2019-20 result	Comments
People feel safer in our neighbourhoods.	i) 92% agreement achieved ii) 72% agreement achieved	Results from the Community Indicators Survey 2018, when survey participants were asked whether they agree and disagree with the statement: i) Your area is a safe place to live during the day. ii) Your area is a safe place to live during the night. Results in line with previous survey period (2016).
Major initiatives	Progress	
Lighting of the Upfield shared path	This is a Department of Transport (DoT) deliverable. DoT has advised the project will be progressed in 2020-21. DoT also advises the project is designed and ready to be tendered as part of the greater Upfield Shared User Path extension. DoT is currently working through licensing issues for the shared path. We wrote to the Minister for Transport (see agenda item DCF82/19 for November 2019 council meeting) and are currently pursuing updates from DoT. Our officers will continue to advocate for progress.	
Breaking barriers through sport	We received \$70,000 to help young women and girls from diverse backgrounds to join mainstream sport. The money came from the Local Government Free from Violence Grants Program for the Count Me in Too	

program. This program is a partnership between Moreland Council, Merri Health, University of Melbourne, sporting clubs and community leaders.

During the year we worked with girls and young women to develop a community action plan, support clubs to include women and girls from diverse backgrounds and provide training and activities to address gaps and needs. By the end of the project 601 women and girls had participated in 56 culturally inclusive sporting opportunities and 78 participants had registered as new club members for cricket, tennis, badminton, football and basketball. We promoted the program on various platforms and media outlets.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Amenity and Compliance	This service aims to improve safety, amenity and access within the municipality. Specific services include: parking enforcement, local laws, animal management and school crossings service.	(10,899) <u>7,316</u> (3,583)	(10,308) <u>7,758</u> (2,550)	(1,033) <i>Variance note:</i> We have improved our procedures, resulting in better efficiency and a higher-than-predicted number of parking fines for the first 9 months.

Service Performance Indicators – Results

Animal Management

Service Indicator / measure	2016	2017	2018	2019	2020	Comments
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	14.80	17.00	12.85	6.79	8.66	We have experienced an increase in the number and complexity of requests, which has resulted in an increase in the time taken to action requests. This increase is generally attributed to the increased number of dog attacks and dog nuisance complaints. Throughout COVID-19 restrictions the increased number of people working from home has resulted in more complaints about nuisance, stray cats and dog attacks.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	49.95%	54.59%	65.28%	63.37%	12.75%	The low number of reclaimed animals is attributed to the high number of stray/unowned cats brought into the Epping Animal Welfare Facility. We encourage residents, through education campaigns, to register their pets thereby providing an increased opportunity to reunite pets with their owners.
Service cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$43.71	\$52.09	\$57.35	\$66.50	No longer applicable	This indicator was retired as of 1 July 2019. AM3 was replaced with AM6. Councils are no longer required to report this indicator.

Service Cost (AM6) Direct cost of the animal management service [Direct cost of the animal management service / Population]	N/A	\$4.31	\$4.80	\$5.22	\$5.10	There is no comparison to previous years which is based on costs per number of registered animals. The result for 2019-20 is based on the on the cost per population and a trend will be established in the second year of this new format.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	3	2	3	3	5	We have successfully prosecuted all cases taken to court.

Strategic objective 2: Progressive city

Key priority 1

Enhance liveability, affordability and sustainability by guiding growth, and excellence in urban design and development.

Strategic indicator	2019-20 result	Comments
Successful implementation of Moreland's Local Planning Policy Framework (LPPF).	75% actions achieved	The LPPF is being reviewed to enable alignment with the State Government's new structure planning policy framework. Through the year, ongoing strategic planning was done to prepare for better heritage and tree protection in the planning scheme. There was also progress on a new Environmental Sustainable Development policy.
Major initiatives	Progress	
Better heritage and tree protection in the Moreland Planning Scheme	A final heritage report was completed and citations were prepared to support preparation of a planning scheme amendment (Amendment C208). The COVID-19 pandemic affected the heritage consultant's business continuity. This resulted in an approximate 8-week delay. The amendment will be presented in the August 2020 council meeting, with work to progress the amendment continuing in 2020-21. Progress is also being made to improve the planning scheme to conserve and enhance tree canopy cover within private developments. Amendment C189, which requires the planting of canopy trees as part of medium-density development, was approved by Council in May 2020. Progress on another planning scheme amendment to protect existing trees on private land has progressed but was delayed from May 2020 due to the pandemic. It is hoped that this work can resume with investigation and assessment of significant trees once current restrictions are eased.	

Using Virtual Moreland tools for better city design and community engagement	Our Virtual Moreland tools were used for: • supporting community consultation for the Tinning Street open space project and before/after comparisons • supporting community consultation for the West Street open space project and before/after comparisons • supporting pre-application meetings with developers to assist decision making • presenting 2 live development applications (during the advertisement periods the community could view 3D models of proposed developments from their phones using augmented reality) • the SmartARt project in collaboration with local and international artists, to bring iconic Moreland murals to life with animation using the EyeJack augmented reality app. Murals were viewed more than 1,100 times by the community during the 3-month period. In addition, we also undertook several pieces of work to maintain and improve our 3D model of the city. This included creating 3D virtual tours of our Wheatsheaf community hub project and a 3D virtual tour of streetscape works at the Mechanics Institute and Bonwick Street and other Victorian partner councils.
Improved planning services	The COVID-19 pandemic has not resulted in any reduction in planning permit applications. The timeframes for the delivery of planning decisions improved throughout 2019-20 and now generally exceed the averages of other metropolitan councils. The enhanced proactive planning enforcement services exceeded target this year, with audits done for 84 multi-unit developments and 15 projects where VCAT overturned council decisions. A pattern of Environmentally Sustainable Development (ESD) requirements breaches has continued to be witnessed including matters such as no rain gardens, no bike storage and installation of single rather than double glazing. Through the proactive program all issues are actively pursued to ensure compliance is achieved.
Better planning and development outcomes	The Design Excellence Scorecard focuses on enhancing outcomes beyond the acceptable outcomes sought by the state-wide legislation and all Victorian Planning Schemes, across 4 key areas:

	• building design and materials • environmentally sustainable development and building performance • building accessibility • delivery of community benefit (including affordable housing). Permit applicants are required to provide significantly improved development outcomes and community benefit as defined by Moreland Council in the scorecard. This will be provided in exchange for increased certainty in the permit process, created by guaranteed decision-making under delegation. Additional urban design resources and the preparation of Good Design Advice Sheets are making a positive contribution to development outcomes. Ongoing interest and take-up of the scorecard continues to grow, with 12 developments aiming to achieve the scorecard benchmarks.
Better council operations for energy efficiency and renewables	During the year, scoping was done for the feasibility of future works in a detailed forward plan. This included: • a 'no gas' aquatic centres feasibility study • a feasibility study and business case for Category V streetlights • designing and constructing an electric vehicle recharging hub in Brunswick at the Edward Street car park • installing solar systems on leased buildings at Brunswick Velodrome (7kW) and Moomba Park kindergarten (5kW) • installing a 13.5kWh battery storage system at Newlands Community Centre, coupled to the existing 7kW solar PV system installed 5 years ago. The system captures excess solar energy that would otherwise be exported to the grid.
Enabling a more water sensitive city	Key projects progressed under Watermap 2020 in 2019-20 have included: • Constructing the stormwater harvesting system integrated within the landscape of City Oval (Southern Bridges Reserve, Coburg). A stormwater harvesting system to supply treated water for open space irrigation at the City Oval precinct in Coburg is still under construction and it is expected to be completed in

	late May 2020. This project was done in partnership with and with funding from Melbourne Water's Living Rivers Program and DELWP. Once City Oval is fully commissioned, it will supply 12 million litres of harvested water per year. • Developing and adopting a new Integrated Water Management Plan 2040 and 5-year action plan on 12 August 2020. • Starting the Litter and Plastic Pollution Stormwater Action Plan project. This project addresses gross pollutants through gross pollutant traps, other infrastructure and educational measures. This project will also investigate microplastics and signage opportunities for stormwater/street tree infrastructure. • Designing the Gavin Park Wetland, to be constructed in 2020-21.
Advocating for community benefits from level crossing removals	Key advocacy achievements: • established an updated Memorandum of Understanding with the LXRP, which has allowed us to provide significant input into the projects • provided funding and support to several community advocacy events • established the Community Advocacy Reference Group • additional compensation for unintended tree removal at Gandolfo Gardens • separated bicycle and pedestrian paths for the length of the project area • improved landscape designs for the open space under the elevated rail • advocated for additional public open space at the new Glenroy Station precinct.
Affordable housing: addressing affordability in Moreland	An MoU was established with Moreland Affordable Housing Ltd, which recruited an Executive Officer to assist with feasibility work for potential affordable housing sites. High-level assessment was done for 5 sites to inform ongoing progress in 2020-21 for a priority. We implemented our Affordable Housing Action Plan through various initiatives including promoting affordable housing through the Design Excellence Scorecard, progressing the translation of the Local Planning Policy Framework to strengthen and streamline affordable housing policy in the planning scheme, and facilitating Homelessness Week community event.

	We have awarded various community grants to community groups who focus on homelessness, rough sleeping and affordable housing. Advocacy was done by: • submitting to the Ministerial Advisory Committee into Affordable Housing Planning Mechanisms and input into the MAV submission • co-authoring a letter to Minister for Planning signed by 23 mayors calling for mandatory affordable housing provisions in all planning schemes • publishing 'Supplying Homes in Moreland' research on our website about past and future supply of housing in Moreland – presenting a toolkit of options to ensure housing supply, including affordable housing supply, is able to meet forecast demand • engaging through the Brunswick West Community Consultative Committee and directly with the Department of Health and Human Services and developer AV Jennings.
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The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
City Development	This unit manages planning and building permit and building consent applications, all food and other health-related premise	(15,469) <u>5,855</u> (9,614)	(14,127) <u>4,948</u> (9,178)	(436) <i>Variance note:</i> We received fewer subdivider contributions than budgeted throughout the year.

	registrations and compliance activities associated with planning, building and environmental health registration processes.			
Environmental Health	This service works to prevent food-borne illness (food safety) and 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.	(972) <u>1,067</u> 95	(987) <u>981</u> (6)	100
Building Services	This service aims to provide a safe and habitable environment for all stakeholders by meeting our statutory obligations under the Building Act 1993 (Vic) and subordinate legislation.	(638) <u>1,619</u> 981	(818) <u>1,436</u> 618	363
City Strategy and Design	This service is responsible for keeping the Moreland Planning Scheme current, and ensuring it responds to emerging issues and land-use trends. It also prepares	0 <u>3,753</u> 3,753	(24) <u>3,449</u> 3,425	328

	and implements strategies to guide the sustainable development of our city. It is responsible for a broad range of improvements to the design and appearance of public places in the Major and Neighbourhood Activity Centres. The branch is also responsible for our corporate research program, and managing key sources of evidence to inform the organisation.			
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Service Performance Indicators – Results

Food safety

Service indicator / measure	2016	2017	2018	2019	2020	Comments
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	3.20	3.26	3.83	2.94	2.58	We have continued to reduce response timeframes by placing greater emphasis on investigating complaints and streamlining complaint lodgement processes.

Service standard Food safety assessments [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 (Vic) / 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 (Vic)] x 100	87.35%	100.00%	87.98%	89.64%	90.03%	The number of class 1 and 2 food premises receiving an assessment is comparable with the previous year's result. More time spent at premises at annual assessments has resulted in a decrease in follow-up inspections and better food safety outcomes.
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984 (Vic)]	\$565.14	\$577.59	\$590.72	\$561.44	\$567.75	The number of food premises and traders is comparable to last year providing a marginal increase from 2018-2019.
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major	100.00%	98.70%	97.60%	100.00%	100.00%	We ensure that every non-compliance identified through assessments and inspections is followed up to ensure compliance with the relevant standard is achieved. This result is aligned with the previous year's outcome.

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] x 100						
Statutory planning timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	83	98	100	116	100	We received a reduced number of overall planning applications, in particular high-density apartment proposals, which has assisted the overall timeframes. Typically Moreland City Council receives a higher proportion of medium and high density development applications in comparison to other metropolitan and inner-city councils. These more complex applications generally result in more requests for further information, increased public notification and consultation meetings all of which all increase the overall timeframes.
Service standard Planning applications decided within required time frames [Number of regular planning application decisions made within 60 days + Number of VicSmart planning application decisions made within 10 days / Number of	59.01%	57.73%	61.64%	60.09%	59.32%	Our performance against statutory timeframes is reflective of the complexity of planning applications that we receive. This remains in alignment with inner- and middle-metropolitan councils.

planning application decisions made] x 100						
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,124.15	\$2,605.90	\$2,891.45	\$3,365.93	\$2,816.58	Our planning service cost has reduced due to the effective management of planning permit activity and the reduction in planning positions and staff resources throughout the year.
Decision-making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside our decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	57.14%	39.73%	51.09%	47.14%	67.57%	These results are reflective of both a reduced number of cases before VCAT and improved VCAT outcomes in supporting council and delegate decision-making.

Key priority 2

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

Strategic indicator	2019-20 result	Comments
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Increase in sustainable modes of transport.	100% of actions achieved	We endorsed the Moreland Integrated Transport Strategy and Parking Implementation Plan at the 13 March 2019 council meeting. We also authorised officers to prepare an amendment to the planning scheme to implement the strategy and plan.
Major initiatives	Progress	
Enabling more sustainable and healthier movement	To prepare the Moreland Integrated Transport Strategy (MITS) and Parking Implementation Plan strategy, we reached out to the community to understand the role of transport and its impact on how we live, work, play and socialise. Hundreds of people responded from all over Moreland. While many of the policies and actions in the strategy will take time, the decisions and actions we take now will help us seed more sustainable and healthier movement for us and future generations. Progress to implement the strategy included some road closures. Council decided to delay further progress on the Parking Project until after the COVID-19 pandemic. This decision was made at the Special Council Meeting in March 2020 along with several other decisions to support the Moreland community. Together with a temporary suspension of enforcing timed parking restrictions and temporary suspension of parking fees, this recognises that movement and travel during COVID-19 is very different to usual conditions. We progressed our intention to reduce or remove minimum parking requirements for new developments in certain areas through Amendment C183 to the Moreland Planning Scheme. Following advice from an independent planning panel that we should do further work prior to progressing this change, we have abandoned the current amendment and resolved to commence a new amendment following the implementation of MITS parking restrictions and further parking survey and modelling work.	

Supporting level crossing removals for better transport outcomes	We continued to work with the Victorian Government through the Level Crossing Removal Project to provide policy and strategy reference documents to help guide the redevelopment of the Upfield railway corridor. Our advocacy is helping to achieve: • compensation for tree removals at Gandolfo Gardens • high-quality shared paths along the corridor • pedestrian-operated signals at Munro Street • various property investigations and lease transactions across B2M.
A better Upfield bike path	The Department of Transport (DoT) (formerly VicRoads) is responsible for this project and has informed progress will be made in 2020-21. DoT advises the project is designed and will be tendered as part of the greater Upfield Shared User Path extension. DoT are currently working through licensing issues for the shared path. We will continue to pursue updates from DoT.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Transport Development	This service aims to provide transport and development advice to support a liveable city by ensuring that the most convenient,	(330) <u>4,976</u> 4,646	(668) <u>3,573</u> 2,904	1,742 <i>Variance note:</i> The variance in transport development is due to the movement of utilities costs during the year. Public

	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.			street-lighting utilities were originally budgeted here, however the decision was to centralise the costs, resulting in inflated savings.
Road Construction and Maintenance	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: pot-hole patching, road resheeting and general road maintenance.	(1,431) <u>5,250</u> 3,819	(1,328) <u>5,361</u> 4,033	(214)

Key priority 3

Support the local economy and trading environments to enhance economic activity and promote local jobs.

Strategic indicator	2019-20 result	Comments
New employment opportunities created.	100% actions achieved	Supported the establishment and expansion of local businesses to encourage employment growth. Investment projects by sector that were supported include:

		• Melbourne's North Food Group and smaller food and beverage enterprise investors • ongoing support and collaboration with three formal business associations • an annual schedule of business training, networking, webinars and events • Business Moreland online and digital promotions and support. A highlight of the employment potential is through the ongoing support of our food and creative sectors. We also took part in the State Government's Working for Victoria initiative which helped created 310 new jobs. This program aimed to create jobs for the residents of Moreland who had lost theirs due to the COVID-19 pandemic. This program will continue to run through until mid-next year.
Major initiatives	Progress	
Economic Development Strategy implementation	Brunswick Design District: An action plan, communications plan and engagement plan were developed. These plans are scheduled for 2020-21 progress, with a broad range of future on-the-ground activation programs anticipated. Business Approvals Project: This project provided for a streamlined development application process for businesses and an improved customer experience for planning and building permit applicants. MORESpaces: This pilot project was implemented to promote start-ups in vacant retail spaces. Six local makers and traders participated in the 174-176 Sydney Road installation which created a virtual marketplace and a contactless shopping experience.	

	Neighbourhood Shopping Strip Activations: Consultation for the Gaffney Street Pascoe Vale urban design renewal works was completed. The Bonwick Street Fawkner business activation program and the street upgrades celebration event occurred. Converger Program: The program supporting entrepreneurial start-ups. Funding body (LaunchVic) final report completed. A program of workshops, masterclasses and meetups focused on supporting an entrepreneurial mindset and business growth ideas. During the year these events were attended by almost 700 people. The COVID-19 pandemic has prompted Council to prepare an economic response and relief package for 2020-21, which will include a: • business hotline • Love Moreland Buy Local campaign • food sector COVID-19 compliance support program • online interactive map • business and community grants program • accelerated social media and promotions • Australian Small Business Advisory Service (ASBAS) digital mentoring program • MORESpaces program for key activity centres • shop improvement program for selected neighbourhood centres.
Enabling the Coburg Initiative	We achieved significant milestones in relation to 2 key elements of the Coburg Initiative. The Coburg Initiative is a complex urban renewal project. Coburg Square and the health precinct are substantial redevelopment sites within the heart of the Coburg Activity Centre. Redevelopment of these sites is pivotal to the long-term success of the centre. Led by a Councillor Oversight Committee, the following outcomes have been progressed:

- Coburg Square – We began commercial discussions with the existing tenant to plan a roadmap for the redevelopment of the site. We also completed an analysis of office space opportunities as part of a potential redevelopment scenario. This was reported to Council in May 2020.
- Health precinct – We commenced detailed discussions with a potential developer for the site. We will be seeking agreement with the developer to deliver a health precinct across the entire site.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<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 our Place Management, Major Projects Facilitation and Economic Development programs and services. This service supports commercial and industrial investment facilitation, business growth and networking initiatives for start-ups and established	(674) <u>3,651</u> 2,976	(880) <u>3,337</u> 2,457	520 <i>Variance note:</i> \$100k relates to vacant Coburg Place Manager. \$166k relates to LXP (expenditure approx. \$100k less than the original budget + additional \$70k invoiced for FY19)

	businesses and a range of marketing and promotion activities.			
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Key priority 4

Increase tree canopy cover, enhance existing open space and create at least 2 new parks in areas with the lowest access to open space.

Strategic indicator	2019-20 result	Comments
Create at least 2 new parks in areas with the least access to open space and experiencing the greatest development pressures.	75% actions achieved	We acquired 2 sites to create 2 new parks in Brunswick. We also acquired a further 3 sites in Brunswick, Coburg and Glenroy to further reduce the high-need gap area at: • 14 Frith Street, Brunswick • 260 Sydney Road, Brunswick • 132-134 Cardinal Road, Glenroy • 41 and 43 Service Street, Coburg. Increased canopy cover, to be progressed through the annual planting of 5,000 trees. The Cooling the Upfield Corridor Action Plan was also implemented during the year.
Major initiatives	Progress	

A Park Close to Home achievements	The Breese and West Street site's demolition and remediation was completed, and construction started for creating Bulleke-bek Park. The 55-61 Tinning Street site's demolition and remediation was completed, and construction started for creating Garrong Park. A program has been developed to implement the A Park Close to Home framework, to convert open space by 2022. This includes: • 14 Frith Street, Brunswick • 260 Sydney Road, Brunswick • 132-134 Cardinal Road, Glenroy • 41 and 43 Service Street, Coburg.
Residents, developers and their consultants using our online tree finder tool	The tree finder tool provides guidance for selecting the correct trees to suit the urban environment so they can live longer, grow and provide more shade under a tree canopy. Each tree in the tree finder tool is given a star rating based on the tree's environmental value, ecological benefits, pest and disease susceptibility, climate change adaptability, life expectancy and amenity value. This tool also helps to mitigate the challenges of the urban heat island effect and support an urban forest for the city.

The following statement provides information in relation to the services funded in the 2019-20 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	Actual revenue <u>Actual expenditure</u> Total	Variance \$000
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		\$000	\$000	
Open Space Design and Development	This service partners with the community and protects and enhances our green public open space, which includes parks, reserves, playgrounds, sports fields, creek corridors and streetscapes. The core service responsibilities of this service unit are: open space strategic planning and policy; bushland conservation; and capital works planning, design and delivery.	0 <u>2,035</u> 2,035	(78) <u>2,338</u> 2,260	(225)
Open Space Maintenance	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.	(300) <u>11,516</u> 11,216	(196) <u>10,469</u> 10,273	943 <i>Variance note:</i> The variance in open space maintenance is due to the centralisation of utilities costs during the year which has inflated the underspend.

Key priority 5

Move to a proactive approach to managing construction impacts resulting from population growth in our city.

Strategic indicator	2019-20 result	Comments
Reduction in complaints relating to construction sites.	Implementation in progress	Progress for requiring construction management plans has been achieved through Moreland's General Local Law. In addition, there are a small number of more complex developments which have their construction management requirements included on a planning permit. Ongoing process refinement is continuing for builders to submit their construction management plans.

The following statement provides information in relation to the services funded in the 2019-20 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>	\$000
		Total	Total	
		\$000	\$000	

Building and Capital Works	This service implements our Capital Works Program for buildings and structures and provides planning and advice for project proposals.	0 <u>829</u> 829	0 <u>742</u> 742	86
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Key priority 6

Develop a clear and funded approach to achieve zero carbon emissions by 2040.

Strategic Indicator	2019-20 result	Comments
To set and implement a clear vision and strategy for zero carbon emissions by 2040.	100% of actions achieved	The Zero Carbon Emissions Refresh to 2020 and the Zero Carbon Moreland 2040 Framework were adopted by Council with amendments to include acknowledgement of the climate emergency. The supporting Zero Carbon Moreland – Action Plan 2020-21 to 2024-25 is under development and will be finalised post-community consultation.
Major initiatives	Progress	
Continuing the benefits of the Crowlands Wind Farm	The 2019-20 year was the first full year purchasing 100% of our electricity demand (for council buildings, public and street lights, EV charging stations, etc) from renewable sources, through the power purchase agreement that resulted in construction of Crowlands Wind Farm in 2019. Our participation in this award-winning MREP project and purchase of 'zero emissions' electricity throughout 2019-20 has seen: • our residual 'carbon footprint' for operations now 70% below the baseline year of 2011-12 • security for energy costs and reducing the amount of carbon offsets we need to purchase each year to maintain 'carbon neutral' accreditation, under the National Carbon Offset Standard (NCOS)	

	• our 'carbon neutral' status maintained.
Zero Carbon Moreland – implementation	The Zero Carbon Moreland (ZCM) program was successfully implemented during the year. Australian Energy Foundation (AEF) results for the year reflected a stronger than expected fourth quarter for residential solar installations (83 installation for the year = 380kW YTD against 400kW target). However various businesses decided to keep their solar installations 'on hold' due to uncertainties associated with the COVID-19 pandemic. This affected the 'solar for business' program. Other highlights for the year included: • 12.5kW solar system on an apartment building on Lygon Street • \$72,000 government grant through the Community Climate Change Adaptation program to enable thermal retrofits on Aboriginal Housing Victoria residential properties • Brunswick Velodrome (7kW) and Moomba Park kindergarten (5kW) were installed as part of the Solar on Leased Facilities project • a 13.5kWh battery storage system was installed at Newlands Community Centre, coupled to the existing 7kW Solar PV system installed 5 years ago. The system captures excess solar energy that would otherwise be exported to the grid • AEF's residential solar campaign continued and included paid digital and print advertising, advertising on bus shelters and on buses, and a flyer inserted into the quarterly rates notice.
Transitioning our fleet towards 'zero emissions'	Moreland continues to be a strong supporter of zero emissions vehicle technologies. Our Vehicle Policy (which mandates a zero-emissions procurement priority), adopted in June 2018, is considered one of the most progressive vehicle policies in the nation. It sets standards in excess of those being considered by the national government for adoption in 2025. This year saw the purchase of additional electric vehicles under this policy, taking our zero-emissions fleet to 22 vehicles. In August 2019, we also participated in a Toyota Australia initiative with support from Hydrogen Mobility Australia to trial 2 Toyota Mirai hydrogen fuel cell vehicles in our fleet. The purpose of the trial was to

demonstrate our ongoing leadership position and commitment to stimulate development of zero-emissions hydrogen fuel cell technology in transport.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Sustainable Built Environment and Communities	This service is responsible for developing, implementing, monitoring and reporting on strategies, policies, programs and partnerships relating to Moreland's environmental sustainability. In particular, relating to climate change, sustainable management of waste and water and promoting a sustainable built environment.	(60) <u>3,594</u> 3,534	(65) <u>2,778</u> 2,713	821
Engineering Services	This service develops and coordinates the detailed planning, design, tendering and construction of our road and drainage asset	(262) <u>1,195</u> 933	(291) <u>1,069</u> 779	154

	capital works programs, and manages the design and reconstruction of our drainage network.			
City Strategy and Design	This service is previously mentioned (Key priority 1 of Strategic objective 2: Progressive city).	Not applicable	Not applicable	Not applicable

Key priority 7

Invest in the revitalisation of shopping and trading precincts.

Strategic indicator	2019-20 result	Comments
Investment in shopping and trading precincts	40% actions achieved	Implementation of the Shopping Strip Renewal Program continues, with completion of the Bonwick Street upgrade and works in-progress for the Gaffney Village project and Russell Street upgrade. Planning for future streetscape projects at the Melville and Moreland neighbourhood centres was also done and a concept was prepared for Pitt and Lygon streets in Brunswick. Landscape upgrades around the Brunswick Town Hall were given an award of excellence by the Australian Institute of Landscape Architects.
Major initiatives	Progress	
Streetscape Upgrades for Shopping Precinct	Construction:	

	• was completed for the Bonwick Street streetscape upgrade • progressed for the 'Gaffney Village' project • progressed for the Russell Street streetscape upgrades, with staging aligned with the City Oval project. Planning for the next streetscape upgrade in the Brunswick activity centre was progressed. A concept was prepared for Melville/Moreland roads and Pitt/Lygon streets.
Upgrading the Brunswick Town Hall and Mechanics Institute forecourts	Construction at both town hall forecourt and Mechanics Institute forecourt has been completed. The Brunswick Town Hall project was recognised by Australian Institute of Landscape Architects (Victoria) with an Award of Excellence for Civic Landscape. The award's citation was: "Brunswick Town Hall Precinct Streetscape Upgrade consolidates a series of thoughtful and multi-layered civic spaces that tie together the various buildings and functions of this civic hub. The project is multi-layered and incorporates pedestrian and cyclist circulation, spaces for gathering, performance and rest. Technology and art have been effectively incorporated to provide and achieve a strong sense of community engagement."

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Service	Description	Budgeted revenue	Actual revenue	Variance \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	

City Strategy and Design	This service is previously mentioned (Key priority 1 of Strategic objective 2: Progressive city).	Not applicable	Not applicable	Not applicable
Places / Economic Development	This service is previously mentioned (Key Priority 3 of Strategic objective 2: Progressive city).	Not applicable	Not applicable	Not applicable

Service Performance Indicators: Results

Service indicator / measure	
See: Statutory Planning Key priority 1 under Strategic objective 2: Progressive city.	

Key priority 8

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

Strategic indicator	2019-20 result	Comments
To strengthen the significant creative sector in Moreland and enhance its standing as a destination for the arts.	94% satisfaction achieved	According to the Moreland City Council Customer Satisfaction Survey 2020, we were rated at 94% satisfaction with providing arts and culture opportunities. This result is consistent with the previous year.

Major initiatives	Progress
Investing in Local Arts	We have 2 grant programs designed to support independent arts professionals and small-to-medium arts organisations in Moreland. The Arts Activation Grants offer project funding to support community-led ideas, big and small, which engage Moreland's community with the arts. The Arts Investment Grants Program has been developed to support Moreland's arts sector to maintain and grow their practice, address identified arts infrastructure needs and provide capacity building opportunities to the local arts sector Across the 2 grant programs, 54 funding applications were made requesting a total of \$428,221 in council funding. In total 13 grants were provided totalling \$100,268. Highlight projects include: • The Sea is Sinking: funding was provided for this community arts project working with Moomba Park and North Coburg Primary Schools to produce a participatory art installation of an imagined underwater environment. • Pink Ember Studios: this is a volunteer not-for-profit gallery and facility and funding was provided for them to expand their community space where artists can create art, sell and exhibit works and share and learn skills.

Enabling Arts Infrastructure	A major focus for the year has been on advocating for the inclusion of arts infrastructure and public art into the State Government Level Crossing Removal project. Another infrastructure priority during the past year has been expanding the Counihan Gallery in Brunswick to increase its profile, exhibition space and opportunities for the arts. A focus of the Arts Infrastructure Plan has always been being a point of contact to assist local artists and arts organisations with planning queries, as well as providing more general supports and advice and connecting them to council services. During the COVID-19 pandemic support for local artists grew rapidly. Enquiries and assistance were provided to over 70 artists and arts organisation. This support is: • changing existing council grant requirements and projects to adjust for COVID-19 closures and changes • supporting multiple grant applications to federal and state governments, as well as other funding bodies • linking many artists and arts organisation to emergency service providers including food and housing supports.
Brunswick Music Festival	Brunswick Music Festival continues to be held annually and thanks to a rebrand and programming shift, is now recognised as one of Victoria's premier music festivals attracting national attention. Sydney Road Street Party is the largest event in the Moreland City Council calendar attracting 50,000 people in March 2020 to the opening of the Brunswick Music Festival. There were outstanding performances from Alex Cameron and the Blind Boys of Alabama during the first week of the festival. Unfortunately, however, due to COVID-19 the second week of the festival was cancelled in 2020. Brunswick Music Festival continued to make news by committing to pay all artists involved in the festival, even artists whose performances were cancelled. In March 2020, BEAT Magazine said: "Brunswick Music Festival has affirmed itself as one of the most well-respected events on the Melbourne music calendar."

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Arts and Culture	This service is responsible for enhancing opportunities for artistic and cultural experiences and growing the capacity of Moreland's creative sector by delivering, partnering and or facilitating festivals and events, exhibitions, arts infrastructure and public art initiatives.	(247) <u>2,452</u> 2,205	(372) <u>2,432</u> 2,060	146
Key priority 9				
Enhance the environmental outcomes of Council waste services and increase the communities' awareness/participation in environmental initiatives to reduce waste to landfill.				
Strategic indicator	2019-20 result	Comments		

Reduce waste to landfill.	51% diversion to landfill achieved	Diversion of waste to landfill was up by 7% in comparison to the previous year. This outcome is an ongoing downward trend and is reflective of Moreland Council's policy emphasis to promote community recycling and waste reduction.
Major initiatives	Progress	
Enabling Waste and Litter Reduction	This strategy aims to minimise waste to landfill and increase resource recovery and going beyond metropolitan and state averages. The strategy has initiatives to reduce the generation of waste, maximise re-use and repair, reduce and recycle food waste, as well as eliminate reliance on single-use plastics at council events and facilities. Initiatives completed during the year included: • solar smart compaction bins installed in the Coburg and Brunswick activity centres • surveillance cameras installed to capture and enforce instances of dumped rubbish • a feasibility study completed for our waste disposal facilities to sort mixed waste on-site and increase material recycled • a leafy streets program implemented to manually sweep priority streets.	
Enabling Food Organics in our Green Waste Bins	The community continues to opt-in to the fortnightly food and garden organics (FOGO) bin collection service which began on 1 July 2019. Since the service launched: • about 6,500 additional households have opted in, extending service access, including shared bins at mixed use developments, to about 10,000 households • more than 1,700 existing service users have upsized their organics bin • over 9,000 kitchen caddies have been distributed to households. Over 10,931 tonnes of food and garden organics had been collected for composting since the service started in July 2019. This is a 46% increase compared to the same period the year before.	

	Waste sent to landfill was down 2% during this same period (reductions in waste to landfill achieved to February 2020 have since been eroded by COVID-19 stay at home restrictions). Overall kerbside diversion from landfill is at 51%. Timing for the city-wide rollout of FOGO has been reset considering the Victorian Government's Recycling Victoria 10-year Action Plan. This plan directs councils to introduce a fourth kerbside bin for glass, as well as a FOGO bin. During the year work was done to design a community education program to be plastic wise and recycle to reduce waste to landfill. The program included inspection of 137 recycling bins, 78 food and garden organics bins and 1,942 garbage bins for contamination. From the inspection it was found that 52% of recycling bins contained contaminants and 9% of food and garden organics bins had contaminants. Of these, 212 recycling bins and 6 organics bins were rejected for collection. 'Well done' tags were left on 1,045 recycling bins and 71 food and garden organics bins. We also conducted a range of other community education initiatives to reduce waste to landfill.
Plastic Wise Policy implementation	A project officer has been recruited, responsible for coordinating implementation of the Plastic Wise Policy. This officer led analysis and consultation with sports clubs and aquatic/leisure centres to explore ways to reduce waste at council facilities. This included: • Plastic Wise engagement session with soccer clubs in mid-March 2020, as well as meetings with the contract manager for Brunswick Mechanics Institute. Engagement has revealed examples of clubs and venues role-modelling initiatives to reduce use of single-use plastic • data for facilities was collated and a matrix prepared for determining priority venues suitable for retrofit • an assessment of implications (for example, costs, benefits and risks) to retrofit community facilities as 'plastic wise' venues was completed.

Arising from this work, Council resolved to do future capital works to:

- roll-out water drinking fountains and refill stations at sports clubs, so clubs can stop selling bottled water
- retrofit designated halls for hire for commercial dishwashers, crockery and cutlery.

The following statement provides information in relation to the services funded in the 2019-20 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 and removal of illegal dumped rubbish.	(104) <u>4,811</u> 4,707	(137) <u>4,669</u> 4,532	176

Waste Services	The waste collection service provides weekly domestic garbage and recycling collection, fortnightly green waste collection and yearly kerbside hard waste collection.	(172) <u>14,534</u> 14,362	(207) <u>14,431</u> 14,224	138
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Service Performance Indicators: Results

Waste collection

Service indicator / measure	2016	2017	2018	2019	2020	Comments
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000	314.10	239.51	263.91	237.11	274.25	Garbage and recycling bin collection request increases were steady through the course of the year, the highest number of collection requests received during Q4 (April to June) at the commencement of COVID-19 restrictions and transition to a new bin delivery and maintenance contractor. While food and garden organics waste stream collection requests are excluded from the measurement, the growing number of residents accessing the service has increased pressure on collection

						requests for garbage and recycling waste streams.
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	14.00	13.29	12.96	10.78	12.06	Missed garbage and recycling bin collection has continue to be a challenge through 2019-20 and continues to be an area of focus of improvement. While food and organics waste stream collection requests are excluded from the measurement, the growing number of residents accessing the service has increased pressure on missed collection requests for garbage and recycling waste streams. The single largest increase in missed collections was observed in Q1 to Q2 (July to September) at the time of the introduction of food into the garden waste stream.
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$100.41	\$96.68	\$90.69	\$92.30	\$92.23	The number of bin lifts (garbage and recycling only) has increased by approximately 2% from the previous year, therefore driving down the average cost of the kerbside garbage collection service (note: resources such as staffing and vehicles remained unchanged).
Service cost Cost of kerbside recyclables collection service	\$41.49	\$31.59	\$38.40	\$62.22	\$59.82	We launched the food and garden organics service in July 2019, resulting in increased tonnages being diverted from landfill for

[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]						processing at Veolia. Food and organics processing costs are not included in the measure, resulting in a reduction in overall the service costs for garbage and recycling despite rising costs of processing both of these waste streams.
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	45.12%	46.49%	44.18%	43.65%	48.48%	The introduction of food into the garden waste stream from 1 July 2019 has seen an additional 10,000 households with access to the service diverting more food waste from landfill and higher diversion rates. The tonnage data for diversion obtained from this waste stream is included in the diversion tonnages.

Strategic objective 3: Responsible city

Key priority 1

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

Strategic indicator	2019-20 result	Comments
Improved resident satisfaction with Council's performance in customer service.	87% satisfaction achieved	According to the Moreland City Council Customer Satisfaction Survey 2020, we were rated at 87% satisfied for our customer service performance. This was a 6% increase in comparison to the previous year.
Major initiatives	Progress	
Changes to Council's online customer request experience	Significant customer experience improvements were made during the year. This was confirmed by the annual Local Government Victoria Survey where the customer experience results for 'overall satisfaction' went from 81% to 87%. Improvements included: • we implemented the 'closing the loop' program, where residents receive an acknowledgement email for their council query as well as a follow-up email once their request has been actioned. This ensures residents have closure on their requests • we are doing regular after-call surveys with residents about their customer service experience. These surveys provide information about the quality of the customer experience and are done through the year, rather than a one-off end of year survey • we have improved contact centre metrics. Incoming calls are answered faster with reduced wait times and fewer customers hanging-up without speaking to our Customer Service team. This year, we saw a 36%	

	reduction in the number of abandoned calls compared to last year, and a 56% reduction from the year before that • we implemented a council-wide customer request tracking tool. This gave visibility to managers and staff about the status of their assigned customer requests and enabled improved local-area management of requests • we rolled out complaint management system enhancements for 2 directorates, with a focus on work teams which receive more complaints. Ongoing implementation will continue in the new financial year. This new system will bring Moreland's handling and recording processes in-line with Victorian Ombudsman recommendations. Other system enhancements look to reduce the likelihood of customer complaints with system generated update emails to customers. In response to the COVID-19 pandemic, customer priorities were supported by: • providing additional staff to ensure contact centre wait times were minimal, as well as a strong focus on staff wellbeing to ensure they were equipped to support residents who were experiencing difficult financial or mental health challenges • establishing a referral process whereby staff could refer residents who were at particular risk of mental health episodes to Moreland's internal psychological support provider.
Improving Service Delivery	A service improvement program has been prepared. During the year, implementation included: • the launch of the IMS sports fields booking program. This is an online mobile ground inspection reporting module that captures and reports real-time data (including photos of sports grounds) to escalate any occupational health and safety concerns • reduced processing time for libraries staff for audio visual materials by no longer re-casing AV material and reducing moves between libraries, resulting in faster access to these materials • library book suppliers now supply all non-Roman character books 'shelf ready', so staff must no longer complete in-house processing, which saves time • the introduction of the visitor self-service sign in system at the Coburg customer service desk. This has seen a 95% time saving to process a customer's arrival • a new electronic planner and more efficient rostering system for the Maternal and Child Health team

	• digitisation of the Environmental Health team's lodgement and payment facilities. This has improved customer service and access, with 24/7 online service now available • the Youth Services team has moved from petty cash to a voucher system, enabled by Pathway software, reducing petty cash risks and enabling direct payments • an aged care small group respite workshop was held and a project plan developed to introduce this service for the community • automating PINs (infringement) which has reduced the time taken to issue notices by 97%, by removing the manual processing of vehicle owner checks. This has also reduced customer disputes • digitising national police checks which has reduced the time taken to obtain a check on staff by 96%, by removing the need to manually enter data and shifting to self-service. This has reduced the time it takes to onboard employees • reviewing the central enrolment process to prepare for the introduction of 3-year-old kindergarten. Five processes have been mapped and are currently being reviewed for improvement before creating a new process for 3-year-old kindergarten. Service delivery improvements responded to COVID-19 pandemic challenges by: • going digital so many staff could work from home • developing SMS communications system for urgent communication • establishing a staff redeployment process within the organisation • doing a COVID-19 staff survey, to enable the organisation to tailor its approach to staff needs • project and process support for the Working for Victoria program.
Collaborative Procurement implementation	During the year a collaborative procurement approach was established with the Northern Region Group of Councils for selected projects. The benefits of this approach are: • better value for money outcomes for the participating councils, suppliers, ratepayers and the community (for example, better use of public funds, local employment, environmentally sustainable services, social health and wellbeing benefit of the residents and businesses in the region and efficiencies through collaborative contract management)

- reducing duplication of efforts for participating councils and suppliers to enable economies of scale
- improved supplier relationships and performance
- improved internal processes and overall financial and demand management.

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Service	Description	Budgeted revenue	Actual revenue	Variance \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total	Total	
		\$000	\$000	
Customer Service	This service is the primary public contact point for the organisation and is delivered through 3 citizen service centres, the telephone contact centre and other channels.	0 <u>2,805</u> 2,805	0 <u>2,762</u> 2,762	42

Key priority 2

Reach the top 25% of all councils for improved community satisfaction with Council's engagement practices.

Strategic indicator	2019-20 result	Comments
Improved community satisfaction with Council's engagement practices.	76% satisfaction achieved	According to the Moreland City Council Customer Satisfaction Survey 2020, we were rated at 76% satisfied for our engagement practices. This was a 2% increase in comparison to the previous year.
Major initiatives	Progress	
Communicating with Council	We have diversified our digital communications to improve reach to the community. This includes launching Moreland's first ever digital newsletter, My Moreland, with an average 75% open rate (compared to a 20% industry average) and a 18% click through rate (compared to a 3% industry average). We've also built upon on social media audiences, with our Facebook followers rising from approximately 16,000 to 18,000, a 12.5% increase. We have improved the way we respond on social media by training up customer service officers to respond to customers. This has improved customer response rates and raised the level of service. In response to the COVID-19 pandemic, we also used targeting and paid advertising to reach our diverse community and used this to communicate critical health messages around restrictions and testing. Our council meetings continue to be live-streamed on Facebook which helps increase community participation.	
Enabling Better Community Engagement	A framework for community engagement is being used to enhance the way we engage with the community, enable engagement on our priorities and update engagement tools. During the year, progress included: • new tools and templates to support council officers in planning community engagement • coordinating an internal group of champions to drive an internal culture of community engagement	

	• initiating IAP2 training for key staff • introducing the Conversations Moreland website and establishing systems, processes and staff training resources to use this website • providing direct delivery of community engagement services for flagship actions including Moreland Integrated Transport Strategy, A Park Close to Home, Zero Carbon Moreland Action Plan and the council budget • progressing work to update our Community Engagement and Public Participation Policy for the new Local Government Act 2020. In response to the COVID-19 pandemic, community engagement practices were refocused to enable: • community consultation via alternative methods that accommodate physical distancing requirements, including digital consultations, phone-in sessions and postal surveys • continuation of efforts to build our organisational capacity for community consultation when our officers work from home.
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The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Community Engagement	This service enables Council to ensure that it is able to obtain community feedback	0 <u>229</u> 229	0 <u>269</u> 269	(40)

	on its project proposals before they are implemented. It allows Council to make the right decisions that best reflect the views of the community.			
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Key priority 3

Maintain and match our infrastructure to community needs and population growth.

Strategic indicator	2019-20 result	Comments
Meeting our asset renewal rate.	2019-20 forecast = 134% 2019-20 actual = 70% achieved	The W heatsheaf Community Hub project had a 2019-20 budget of \$1.5 million. The estimated cost of the future Saxon Street multi-use facility is \$13.5 million. The Fleming Park Masterplan project had a 2019-20 budget of \$1.39 million, including \$580,000 for the grandstand. These projects represent significant investments by Moreland Council to meeting changing community needs. The variance predominantly relates to several multi-year projects continuing in 2020-21 which have not yet been capitalised, as well as the carrying forward of some planned expenditure into 2020-21.
Major initiatives	Progress	
W heatsheaf Community Hub	The W heatsheaf Community Hub (to be known as the Glenroy Community Hub) will become the new home of the Glenroy Library, the Glenroy Memorial Kindergarten and include maternal child health, a	

	community health provider, neighbourhood learning and childcare services. The project will also deliver improvements to the adjoining Bridget Shortell Reserve with fresh open green spaces for play and active recreation, and with new public amenities. At the 11 December 2019 Council meeting, Council approved the contract to complete construction of the Wheatsheaf Community Hub. Construction has begun and will continue in 2020-21.
Planning for the Saxon Street Multi-Use Facility in Brunswick	In July 2020, Council endorsed a refreshed option to deliver redevelopment of this key site. The site will deliver a community and creative facility accommodating short-term community hire, a neighbourhood house, arts production and display, public open space and other community-building uses and activities. Siteworks and Blak Dot Gallery will continue to operate (noting COVID-19 restrictions) until redevelopment occurs.
Rejuvenating Fleming Park Grandstand	Community consultation was done for the concept design to reimagine the grandstand. Then planning approval was obtained, with heritage requirements included, before the construction contract was awarded. Construction will start in July 2020.

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Service	Description	Budgeted revenue	Actual revenue	Variance \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	

Asset Management	This service aims to provide sound stewardship of Moreland 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>833</u> 833	0 <u>885</u> 885	(52)
Building Maintenance	This service maintains council buildings to appropriate standards.	0 <u>3,561</u> 3,561	(26) <u>3,271</u> 3,245	316
Fleet Services	This service provides a fleet management and maintenance service for more than 600 items of plant and equipment.	(152) <u>3,885</u> 3,733	(140) <u>3,742</u> 3,602	131
Property Services	This service undertakes the acquisition, disposal, management, leasing and licensing of council properties.	(1,629) <u>1,165</u> (464)	(1,668) <u>1,140</u> (528)	65

Civic Facilities	This service co-ordinates the provision of meeting rooms and town hall bookings including facility management, catering and security.	(175) <u>3,981</u> 3,806	(198) <u>3,863</u> 3,664	141
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Service Performance Indicators: Results

Roads

Service indicator / measure	2016	2017	2018	2019	2020	Comments
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100	102.04%	113.01%	114.77%	100.85%	112.88%	We have experienced an increase in the number of requests compared to last year, despite increased renewal expenditure on road infrastructure to meet community expectations. The volume of requests is consistent with prior years.
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the	94.16%	94.34%	94.69%	94.66%	94.64%	This indicator has been improving incrementally over recent years, with a slight decrease this year, acknowledging that it will take some time to see the recent increase in

renewal intervention level set by Council / Kilometres of sealed local roads] x 100						road funding improving the result in future years.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$196.03	\$213.49	\$207.80	\$267.97	\$258.13	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 compared to other councils.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$17.21	\$19.24	\$15.79	\$17.17	\$19.21	Our contract attracts competitive rates and this indicator will continue to vary slightly year on year, dependant on the type of roads and extent of works undertaken in the year.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the	56	56	62	57	57	Community satisfaction is consistent with last year and aligned to the average rating of 58 over the previous 3 years.

condition of sealed local roads]						
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Key priority 4

Provide transparent and effective governance of Council's operations.

Strategic indicator	2019-20 result	Comments
Improved satisfaction with decisions made in the interest of the community.	56% satisfaction achieved	According to the Moreland City Council Customer Satisfaction Survey 2020, we have a 56 index score for decisions made in the interest of the community.
Major initiatives	Progress	
Implementing the new Local Government Act	An assessment of implications of the new reforms to the Local Government Bill for Moreland was done and councillors were briefed. We submitted a response to the Minister for Local Government about the proposed reforms on 31 July 2019. Each clause of the new <i>Local Government Act 2020</i> was mapped to establish key implementation responsibilities, timings and actions. A coordination approach to establish the key plans was established. Confirmation of the October 2020 Council elections has minimised disruption for implementing the Act's requirements. A project plan has been established for developing the council plan, incorporating the municipal health and wellbeing plan. Key plan owners for the community vision, 10-year asset plan, 10-year financial	

	plan, workforce plan, 4-year budget, rates and revenue plan, council plan continue to progress their work.
Audit and Risk Management Committee Annual Performance Report 2018-18	We now have increased transparency of our continuous improvement activities through an internal audit program. This is done by adopting and publishing an annual report. This report details the program of work done by the Audit and Risk Management Committee and is available on our website at www.moreland.vic.gov.au/audit-committee
Establishing an Environmental Management System	Recruitment was completed to appoint an officer to lead the development of an Environmental Management System. Engagement meetings were held with managers and key work areas. The environmental risk register was established, a project board was established, and Environmental Management System documents prepared.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total	Total	
		\$000	\$000	
Governance	This service ensures good governance and transparent and responsible decision making, while providing	(38) <u>3,313</u> 3,276	(108) <u>3,503</u> 3,395	(119)

	support to the mayor and councillors through the development and implementation of systems which support democratic and corporate governance. This service also oversees an integrated strategic planning and performance reporting framework to assist Council to link community priorities to operational activities. Governance provides independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. This service also ensures the council understands the internal and external risks that may impact the delivery of its organisational goals and have processes and practices in place to identify, mitigate, manage and monitor those risks to ensure the best			
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	outcome for the council, staff and the community.					
Service Performance Indicators: Results						
Governance						
Service indicator / measure	2016	2017	2018	2019	2020	Comments
Transparency Council decisions made at meetings 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, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special	8.21%	4.69%	5.04%	8.85%	7.14%	Fewer commercial in confidence matters required a Council decision than the previous year. We remained committed to transparent decision making, and where possible only attachments were made confidential, rather than the decision making process.

committee consisting only of Councillors] x 100.						
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	57	53	60	53	53	We have achieved a rating consistent with the previous year and are working to improve performance through the implementation of our Community Engagement and Public Participation Policy.
Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100	88.89%	96.26%	92.56%	93.84%	93.18%	Our councillors are committed to accountable and transparent decision-making which continues to be reflected in high attendance.

Service cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$46,238.51	\$46,397.91	\$48,188.64	\$47,205.74	\$54,978.09	Investment in councillor development has continued to ensure that they are equipped to adequately represent the community. Additional expenditure is attributed to the recruitment process for the appointment of the chief executive officer.
Satisfaction Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	55	54	59	54	56	The improvement is result is in line with prior years and is a continuous improvement focus. We continue to increase our transparency through the livestreaming of meetings and interaction with the community on a range of platforms. We are implementing our Community Engagement and Public Participation Policy.

Key priority 5

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

Strategic indicator	2019-20 result	Comments
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Council will not seek a rate exemption.	100% of actions achieved	Moreland Council's 2019-20 budget was adopted without the need to seek a rate exemption.
Major initiatives	Progress	
Budget simulator introduced	The online tool enables customers to simulate spending scenarios for roads and rubbish, parks and playgrounds or other council services. The tool is designed to prompt the user to achieve a balanced budget. This is the second year that a budget simulator has been used to engage with the community. The budget simulator was launched on 1 November 2019 and was used alongside community-based popups held in Moreland's activity centres at: • Brunswick Library • Glenroy Library • Coburg Night Market. This online tool alongside the pop-up sessions helped us find out more about community priorities and was used to shape the 2019-20 budget.	
Finding process efficiencies	Process mapping in 3 key areas was done during the year. A summary is: • Human Resources have 74 processes mapped. • Corporate Governance have 48 processes mapped. • Finance have 120 processes mapped. After reviewing processes with the Governance and Civic Protocols team, staff are now implementing continuous improvement steps, including investigating a tool that will allow for improved data capture	

and reporting of budget spend and event requirements. Our continuous improvement program has also found efficiencies in our customer service, IT and governance work.

The following statement provides information in relation to the services funded in the 2019-20 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 \$000
		<u>Budgeted expenditure</u>	<u>Actual expenditure</u>	
		Total \$000	Total \$000	
Finance	This service provides a range of financial services, including management of our 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 Moreland Council.	(1,305) <u>3,803</u> 2,498	(1,348) <u>3,779</u> 2,431	67

Corporate Finance	This service undertakes the management of corporate-level finances including loan interest repayments.	(9,345) <u>5,637</u> (3,708)	(8,056) <u>5,904</u> (2,152)	(1,556) Variance note: The unfavourable variance is primarily due to lower interest rates on investments during the year coupled with the centralisation of utilities.
Organisation Performance	This service supports and leads our culture and leadership development, change and continuous improvement capability building and supports the organisation in service unit planning and process mapping.	0 <u>1,462</u> 1,462	0 <u>1,099</u> 1,099	363
Human Resources	This service provides advice and support to the organisation on health and safety issues including management of WorkCover claims and the return to work of sick and injured employees. In addition, there is a focus on the provision of health and wellbeing activities induction and training which supports a	(18) <u>2,513</u> 2,495	14 <u>2,622</u> 2,636	(141)

	proactive approach to workplace safety.			
Communications	This service supports several corporate functions, including corporate communications and reputation management; community engagement; campaigns and external marketing; and internal communications.	0 <u>1,180</u> 1,180	0 <u>1,482</u> 1,482	(302) Variance note: \$126k relates to the redundancy cost (mostly funded from savings in Economic Development) and approximately another \$100k relates to the organisational structure change at the beginning of the year, funded by a reduction in the Customer Service labour budget
Civic leadership and general overheads	Includes corporate costs related to civic leadership.	0 <u>2,893</u> 2,893	(472) <u>3,694</u> 3,222	(330)

Key priority 6

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

Strategic indicator	2019-20 result	Comments
Workforce feels more mobile and efficient.	Positive staff response to staff support survey	In late 2019-20, a COVID-19 staff support survey was done to better understand staff needs for support during the COVID-19 pandemic, and what could be done better.

	during COVID-19 pandemic	We had 600 staff respond. The results were overwhelmingly positive and gave insight into areas for improvement. Results have been shared across the organisation and follow up actions are happening in work teams. A summary of results is: • 90% of survey respondents agreed or strongly agreed that they felt supported by the wider organisation • 88% of survey respondents agreed or strongly agreed that they felt connected as a team during the pandemic • 84% of survey respondents agreed or strongly agreed that their supervisor helps them to understand what they need to do during the pandemic.
Major initiatives	Progress	
Information Technology (IT) Strategy: implementation	Some of the annual achievements to support the IT strategy were: • creating a dedicated IT Projects team to assist with IT projects and initiatives across the organisation • creating a dedicated Data Analytics team to improve reporting and evidence-based decision reporting • implementing the Northern Region Smart Cities 'Internet of Things' platform with various sensors deployed across the municipality providing data to Moreland Council and the community • upgrading our website to improve usability on mobile devices • adding additional services including environmental health applications and customer request notifications. During the COVID-19 pandemic, IT services enabled business continuity and support by: • developing a solution to allow for virtual council meetings over the live-streaming platform • transitioning to working remotely by using an enterprise videoconferencing platform • utilising Working for Victoria resources for various back-scanning projects to reduce hardcopy documents and digitise processes.	

The following statement provides information in relation to the services funded in the 2019-20 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 <u>7,778</u> 7,778	(13) <u>7,593</u> 7,580	198

PERFORMANCE STATEMENT

For the year ended 30 June 2020

Description of municipality

The City of Moreland is located between 4km and 14km 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 2018, our estimated resident population was 181,725.¹ 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.

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 employers. Now the businesses employing the largest numbers of people are those engaged in health care and social assistance with manufacturing falling into fourth place. The second-largest employment category is the retail trade while the third-largest is education and training.

COVID-19 impact

In January 2020, the World Health Organisation declared the outbreak of COVID-19 a public health emergency of international concern and subsequently in March 2020 it was declared a global pandemic. On 16 March 2020, a State of Emergency was declared in Victoria and restrictions were put in place on gatherings, a call to work from home and significantly lower levels of activity in the community. Many of Council services have needed to close or operate using revised health precautions. Where these changes have affected Council services, they are noted in the comments section in the following Performance Statement.

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

PERFORMANCE STATEMENT						
Sustainable Capacity Indicators						
		Results	Results	Results	Results	
	<i>Indicator / measure</i> [formula]	2017	2018	2019	2020	Comments
	<i>Population</i>					
C1	Expenses per head of municipal population [Total expenses / Municipal population]	\$946.90	\$1,000.12	\$1,065.22	\$1,023.60	This result does not necessarily reflect a reduction in Council's costs, more the impact of a reduction in expenditure related to the asset capitalisation process.
C2	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$3,931.99	\$3,974.14	\$3,934.86	\$5,006.38	Council experienced a large variance due to positive revaluation for infrastructure assets of approximately \$200 million.
C3	Population density per length of road [Municipal population / Kilometres of local roads]	271.68	281.19	288.91	295.34	The result achieved has remained consistent, with population growth a result of increased housing opportunities, available through numerous 2 lot subdivisions of existing lots and the construction of multi-level accommodation.
	<i>Own-source revenue</i>					
C4	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$934.38	\$989.11	\$983.31	\$986.20	The result achieved has remained consistent.
	<i>Recurrent grants</i>					
C5	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$127.38	\$119.76	\$104.36	\$99.33	Recurrent grants reduced from the previous year by approximately \$0.265 million.

		Results	Results	Results	Results	
	Indicator / measure [formula]	2017	2018	2019	2020	Comments
	Disadvantage					
C6	Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	6.00	7.00	7.00	7.00	The result achieved has remained consistent.
	Workforce turnover					
C7	Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.6%	8.7%	12.1%	9.0%	Staff turnover has reduced, with a key contributing factor attributed to COVID-19 and less departures from secure employment as a result of the economic impact of COVID-19.

Service Performance Indicators						
		Results	Results	Results	Results	
	Service/indicator/measure	2017	2018	2019	2020	Comments
	Aquatic Facilities					
	Utilisation					
AF6	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.51	5.30	6.18	4.49	Utilisation of the facilities was impacted by a range of planned and unplanned events, including: capital works to upgrade facilities (Brunswick, Fawkner, Coburg), closures due to poor air quality during the summer bushfires and COVID-19 restrictions. These events resulted in a decrease in utilisation across all facilities.
	Animal Management					
	Health and safety					
AM7	Animal management prosecutions [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	100%	Council has successfully prosecuted all cases taken to Court.
	Food Safety					
	Health and safety					
FS4	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	98.70%	97.60%	100.00%	100.00%	Council ensures that every non-compliance identified through assessments and inspections is followed up to ensure compliance with the relevant standard is achieved. This result is aligned with the previous years outcome.

		Results	Results	Results	Results	
	Service/indicator/measure	2017	2018	2019	2020	Comments
	Governance					
	Satisfaction					
G5	Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	59.00	54.00	56.00	The improvement is in line with prior years and is a continuous improvement focus for Council. Council continues to increase its transparency through the livestreaming of meetings and interaction with the community on a range of platforms. Council is implementing its Community Engagement and Public Participation Policy
	Libraries					
	Participation					
LB4	Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	15.63%	14.85%	13.85%	13.65%	The number of active library members has declined marginally, acknowledging the impact of COVID-19 related closures for 11 weeks and limited reopening for an additional 4 week period.
	Maternal and Child Health (MCH)					
	Participation					
MC4	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	67.87%	69.61%	71.41%	72.27%	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					
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	61.90%	65.12%	77.78%	71.43%	Rates of enrolment from Aboriginal and Torres Strait Islander families reduced compared to last year. Some Aboriginal families do choose to access MCH services from an Aboriginal Community Controlled Health Service which is available in a neighbouring municipality.

		Results	Results	Results	Results	
	Service/indicator/measure	2017	2018	2019	2020	Comments
	Roads					
	Satisfaction					
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	56.00	62.00	57.00	57.00	Community satisfaction is consistent with last year and aligned to the average rating of 58 over the previous 3 years.
	Statutory Planning					
	Decision making					
SP4	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	39.73%	51.09%	47.14%	67.57%	The improved results are reflective of both a significantly reduced number of cases before VCAT in 2019-20 and improved VCAT outcomes in supporting Council and delegate decision-making.
	Waste Collection					
	Waste diversion					
WC5	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	46.49%	44.18%	43.65%	48.48%	The introduction of food into the garden waste stream from the 1st July 2019 has seen an additional 10,000 households with access to the service diverting more food waste from landfill and higher diversion rates. The tonnage data for diversion obtained from this waste stream is included in the diversion tonnages.

Financial Performance Indicators										
		Results	Results	Results	Results	Forecasts				
	Dimension/ <i>indicator/ measure</i>	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations and Comments
	<i>Efficiency</i>									
	<i>Expenditure level</i>									
E2	Expenses per property assessment [Total expenses / Number of property assessments]	\$2,148.35	\$2,242.50	\$2,390.96	\$2,304.75	\$2,501.10	\$2,240.02	\$2,255.34	\$2,265.27	Council is continuing its program of finding efficiencies, resulting in a small decrease this year.
	<i>Revenue level</i>									
E4	Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,713.62	\$1,762.09	\$1,766.84	\$1,771.50	\$1,776.07	This is a new indicator with no previous comparisons.
	<i>Liquidity</i>									
	<i>Working capital</i>									
L1	Current assets compared to current liabilities [Current assets / Current liabilities] x100	266.94%	347.78%	213.05%	262.66%	287.89%	296.63%	339.99%	383.34%	Higher levels of unrestricted cash produced a favourable result for Council. This is as a result of shorter term deposits and a higher percentage of those expiring within 90 days of 30 June 2020. Current liabilities also decreased with the maturity of a Local Government Funding Vehicle bond in November 2019 (\$8.00 million).

		Results	Results	Results	Results	Forecasts				
	Dimension/ <i>indicator/ measure</i>	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations and Comments
	Unrestricted cash									
L2	Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	9.02%	-17.08%	112.36%	119.59%	100.63%	106.01%	138.81%	170.34%	Council has invested in more short term deposits, resulting in a higher unrestricted cash level with most expiring within 90 days of 30 June 2020. This is due to better short-term investment rates as compared to longer term.
	Obligations									
	Loans and borrowings									
O2	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	34.28%	25.81%	23.39%	16.51%	21.64%	25.40%	22.56%	20.30%	Council has lower current interest bearing loans and borrowings when compared with 2018/19. In addition the payment of an \$8.00 million Local Government Funding Vehicle bond has reduced the loans and borrowings balance, resulting in the decrease. Council's borrowings are forecast to increase in 2020/21 and 2021/22 in line with major project deliveries.

		Results	Results	Results	Results	Forecasts				
	Dimension/ <i>indicator/ measure</i>	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations and Comments
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.68%	9.22%	1.65%	6.43%	1.41%	2.91%	2.46%	2.40%	Council had a higher repayment of borrowings, with an \$8.00 million Local Government Funding Vehicle bond maturing in November 2019 resulting in a higher loan and borrowings repayment figure, leading to the large increase. Council's borrowings are forecast to increase in 2020/21 and 2021/22 in line with major project deliveries.
	Indebtedness									
O4	Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	25.69%	21.25%	15.66%	14.62%	19.58%	21.35%	19.24%	17.31%	Council's rates and charges increased by \$8.million, whereas non-current liabilities reduced by \$1 million in 2019/20. Council's borrowings are forecast to increase in 2020/21 and 2021/22 in line with major project deliveries.
	Asset renewal and upgrade									
O5	Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	70.02%	156.64%	173.18%	158.75%	171.55%	This is a new indicator with no previous comparisons. It should be noted that classifications of asset expenditure can vary year on year depending on the nature of the projects being delivered.

		Results	Results	Results	Results	Forecasts				
	Dimension/ <i>indicator/ measure</i>	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations and Comments
	<i>Operating position</i>									
	<i>Adjusted underlying result</i>									
OP1	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	17.78%	17.61%	9.31%	13.56%	9.60%	15.82%	15.58%	15.16%	Surplus increased in 2019/20 due to an increase in rates and charges and a significant reduction in materials and services in 2019/20.
	<i>Stability</i>									
	<i>Rates concentration</i>									
S1	Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	70.11%	65.79%	70.75%	72.15%	71.18%	75.53%	75.93%	76.24%	The result of this indicator has remained consistent over the last few years. The small increase year on year is due to supplementary rates issued.
	<i>Rates effort</i>									
S2	Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.28%	0.28%	0.24%	0.28%	0.28%	0.28%	0.29%	0.29%	Property values retracted slightly in 2018/19, resulting in a slightly increased variance. This change was not unexpected and did not impact revenue due to rate capping.

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

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

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

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

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

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

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

"Food premises" has the same meaning as in the Food Act 1984

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

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

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

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

"Population" means the resident population estimated by council

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

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

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

"Adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

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

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

"Current assets" has the same meaning as in the AAS

"Current liabilities" has the same meaning as in the AAS

"Non-current assets" means all assets other than current assets

"Non-current liabilities" means all liabilities other than current liabilities

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

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

"Population" means the resident population estimated by council

"Rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"Recurrent grant" means a grant other than a non-recurrent grant

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

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

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

Other Information – Basis of preparation

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

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

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

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

CERTIFICATION OF 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.



Melissa Baker, Certified Practising Accountant

Principal Accounting Officer (Acting)

Dated: 28/9/2020

In our opinion the accompanying performance statement of the Moreland City Council for the year ended 30 June 2020 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.



Lambros Tapinos

Mayor and Councillor

Dated: 28/9/2020



Oscar Yildiz

Deputy Mayor and Councillor

Dated: 28/9/2020



Cathy Henderson

Chief Executive Officer

Dated: 28/9/2020

Independent Auditor's Report

To the Councillors of Moreland City Council

Opinion	I have audited the accompanying performance statement of Moreland City Council (the council) which comprises the: • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • notes to the performance statement and • the certification of the performance statement. In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.
Basis for Opinion	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. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors is 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.
Auditor's responsibilities for the audit of the performance statement	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. 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
29 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Governance and management

Moreland City Council is constituted under the Local Government Act 2020, and formerly the Local Government Act 1989, to provide leadership and good governance for the local community.

In making decisions that will affect our community, we consider the needs of the whole community. We also consider our council plan and strategic directions.

Council meetings

Decisions on issues affecting the community are made at council meetings. Community members can observe the decision-making process at these meetings. They can also ask questions of us.

We live stream our council meetings so people can watch the proceedings in real time. These recordings are also available for people to watch later. Live streaming council meetings offers greater access to decision making and debate. It also underpins openness and transparency.

The number of people watching council meetings online (live and the recordings) continues to increase. It went up from 19,635 in 2018-19 to 34,822 in 2019-20.

In 2018, we decided that planning and related matters would be considered at council meetings specifically scheduled to consider planning matters, rather than by a special committee. This change was due to the significance of planning and development in Moreland.

Since then, there has been 1 meeting each month designated as a council meeting for planning and related matters. This is called a planning and related matters meeting.

In April 2020, the Local Government Act 1989 was amended to allow council meetings to be held via video conferencing. This was in response to the COVID-19 pandemic. The Minister for Local Government issued Ministerial Guidelines to govern how those meetings would be conducted. These guidelines ensure the transparency of council decision making is maintained.

We conducted the May and June council meetings by video conferencing and live streaming. There were no meetings to consider planning and related matters during that time.

Councillor attendance at meetings

In 2019-2020, we held:

- 12 ordinary council meetings
- 5 special council meetings
- 8 council meetings to consider planning and related matters.

Councillor	Ordinary council meetings (total 12)	Special council meetings (total 5)	Planning and related matters (total 8)
Cr Natalie Abboud (approved leave of absence 2 meetings)	12	4	6
Cr Sue Bolton	12	5	7
Cr Annalivia Carli Hannan (approved leave of absence 3 meetings)	10	3	6

Councillor	Ordinary council meetings (total 12)	Special council meetings (total 5)	Planning and related matters (total 8)
Cr Helen Davidson (approved leave of absence 4 meetings)	9	5	5
Cr Jess Dorney (approved leave of absence 4 meetings)	10	4	7
Cr Ali Irfanli (approved leave of absence 3 meetings)	10	2	5
Cr John Kavanagh	12	4	8
Cr Dale Martin	12	4	8
Cr Mark Riley (approved leave of absence 1 meeting)	12	5	7
Cr Lambros Tapinos (approved leave of absence 3 meetings)	11	4	5
Cr Oscar Yildiz JP (approved leave of absence 2 meetings)	11	4	6

Major committees

Audit and Risk Committee

Our Audit and Risk Management Committee was established under the *Local Government Act 1989*. The committee was disestablished upon establishment of the Audit and Risk Committee under the *Local Government Act 2020* (the 'Act').

The committee charter was adopted on 13 May 2020 with the first meeting held on 23 June 2020. Pursuant to section 53(2) of the Act, the committee is an advisory committee of Moreland Council.

The Audit and Risk Committee was established to strengthen our governance, risk management and financial management and to drive continuous improvement.

The committee helps us discharge our responsibilities under the Act to:

- monitor the compliance of council policies and procedures with:
 - the overarching governance principles
 - the Act and the regulations and any ministerial directions
 - other relevant laws and regulations
- monitor internal controls
- monitor council financial and performance reporting
- monitor and provide advice on risk management and fraud prevention systems and controls
- oversee internal audit function
- oversee external audit functions
- monitor related party transactions.

The current committee has 7 members. These are:

- an independent chair, John Watson

- 3 independent members, Craig Burke, Joelle Tabone and Lisa Tripodi
- 3 councillors, Cr Mark Riley, Cr Lambros Tapinos and Cr Oscar Yildiz. Cr John Kavanagh and Cr Ali Irfanli were councillor members from October 2018 to September 2019.

Five meetings were held during 2019-20, the following councillors attended:

- 3 September 2019 – Cr John Kavanagh and Cr Mark Riley
- 17 September 2019 (special meeting) – Cr Ali Irfanli and Cr Mark Riley
- 3 December 2019 – Cr Lambros Tapinos, Cr Mark Riley and Cr Oscar Yildiz
- 24 March 2020 – Cr Mark Riley
- 23 June 2020 – Cr Lambros Tapinos, Cr Mark Riley and Cr Oscar Yildiz.

Special committees

There were no special committees established by Moreland Council operating in 2019-20.

Councillor expenses and allowances

Expenses

We provide councillors with resources and support to undertake their duties. This is so they can serve, engage and act in the community's best interests. We may make available or pay for resources or reimburse claims for out-of-pocket expenses.

Our Councillor Support Expenses and Resources Policy provides the level of expense and resources support provided.

We publish details of councillor expenses (including those reimbursed) on our website quarterly. Councillor expenses for the 2019-20 year were:

	Travel	Child/ family care	Conference/ training	Mileage	Mobile and data	Events	Copying/ stationery	Total
Cr Abboud	\$148.15	-	\$650.00	-	\$1909.92	-	\$140.00	\$2,848.07
Cr Bolton	-	-	-	-	\$1,573.67	-	-	\$1,573.67
Cr Carli Hannan	\$32.97	-	-	-	\$1,573.67	-	\$140.00	\$1,746.64
Cr Davidson	-	-	-	-	\$1,719.67	-	-	\$1,719.67
Cr Dorney	\$189.04	-	\$913.00	-	\$1573.67	-	-	\$2,675.71
Cr Irfanli	-	-	-	-	\$1,573.67	-	\$140.00	\$1,713.67
Cr Kavanagh	\$168.41	-	-	\$789.96	\$1,573.67	-	\$200.00	\$2,732.04
Cr Martin	-	-	-	-	\$1,573.67	-	-	\$1,573.67
Cr Riley	\$63.00	-	-	-	1,573.67	\$25.00	-	\$1,661.67
Cr Tapinos	\$650.27	-	-	-	\$1,573.67	-	\$330.00	\$2,553.94
Cr Yildiz	\$40.95	-	\$1,595.00	\$3,147.91	\$1,573.67	-	\$831.91	\$7,189.44

Allowances

Our mayor and councillors are entitled to receive an allowance while performing their duties as elected officials. Council reviewed the mayor and councillor allowances before 30 June in the year following the council election. This was required by the *Local Government Act 1989*.

Council set the allowances at the top of the range for a category 3 council. This was because of the complexity of the issues to be determined by Council and the significant expectations on councillors. This allowance level was in effect for the full Council term.

The Minister for Local Government applied an annual adjustment to the allowances set. The last adjustment made by the Minister was a 2% increase which came into effect on 1 December 2019.

The allowances paid to our mayor and councillors are:

	Allowance	Superannuation guarantee (9.5%)	Total
Mayor	\$100,434	\$9,039.06	\$109,473.06
Councillors	\$31,444	\$2,987.18	\$34,431.18

The responsibility for determining mayoral and council allowances is changing. This is due to the *Local Government Act 2020* (the 'Act'). This responsibility will be transferred to the Victorian Independent Remuneration Tribunal (VIRT). This will take place once VIRT has been directed by the Minister for Local Government to conduct their first review on allowances. Preparation is underway at the VIRT for the first review of allowances under the new Act.

Councillor Code of Conduct

Our Councillor Code of Conduct was reviewed and adopted on 12 June 2019. It is available on the Moreland Council website.

The code sets out the standards of conduct expected of councillors. The aim of the code is to foster good working relations between councillors so they can work constructively together in the best interests of the local community.

Conflict of interest

Councillors are elected by residents and ratepayers to act in the best interests of the community. This is a position of trust that requires councillors to act in the public interest. Council officers also need to act in the public interest when undertaking their duties and functions.

A conflict of interest occurs when a personal or private interest might compromise, or might be perceived to compromise, the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

We have a procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all council meetings. This declaration also takes place before the start of procurement and recruitment processes.

We reviewed our Gifts, Benefits and Hospitality Policy for Councillors in November 2019. This policy sets out practices to avoid the potential for conflict of interest through the offer/acceptance of gifts, benefits and hospitality. The procedures vary depending on the role and circumstances.

In general, they involve disclosing the relevant interests in a specific way, then stepping aside from the relevant decision-making process or from the exercise of the public duty. We maintain a register to record all disclosed conflict of interests.

During 2019-20, 18 conflict of interest disclosures were made at council meetings. There were no conflict of interest declarations added to the register for council officers.

Governance and management checklist

Results of Moreland Council's assessment against the prescribed governance and management checklist as at 30 June 2020:

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 Action is underway to update the current community engagement policy in accordance with the requirements of the <i>Local Government Act 2020</i>	YES: 12/12/2018
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES: 30/11/2019 New digital consultation guidelines developed to support implementation of our new community consultation website, known as Conversations Moreland
3. Strategic resource plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act	YES: 24/06/2019
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: 24/06/2019
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	YES: Asset Management Plans are in place for key assets, including: roads, footpaths and drainage
6. Rating strategy (strategy setting out the rating structure of council to levy rates and charges)	Current strategy in operation	YES: 24/06/2019
7. Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations)	Current policy in operation	YES: 27/03/2019

Governance and management items	Assessment	Outcome
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES: 26/03/2019
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: 08/01/2019
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 1989</i> , incorporating the principles of the <i>Local Government Act 2020</i>	YES: 12/06/2020 (review date: June 2021)
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	YES: 30/04/2020 (due to be reviewed March 2021)
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: April 2019 Partial test completed in November 2019 (due to be reviewed May 2021)
13. Risk management framework (framework outlining council's approach to managing risks to the council's operations)	Current framework in operation	YES: 26/03/2019 Reviewed in February 2019 Review commenced May 2020 for approval in July 2020
14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Audit and Risk Management Committee established in accordance with section 139 of the <i>Local Government Act 1989</i> up to May 2020 Audit and Risk Committee established in accordance with section 53 of the new <i>Local Government Act 2020</i> on 13 May 2020 (first meeting of the committee on 23 June 2020)	YES: 13/05/2020 Committee charter reviewed and endorsed by council 13/11/2019 under 1989 Act New committee charter reviewed and endorsed by council 13/05/2020

Governance and management items	Assessment	Outcome
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: Contracted to 01/09/2021
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation	YES: 28/05/2020 Performance reporting framework updated annually at the direction of the Minister
17. Council plan reporting (report reviewing the performance of the council against the Council Plan 2017-21, including the results in relation to the strategic indicators, for the first 6 months of the financial year)	Current report	YES: Annual Council Action Plan Q4 prior year: 14/08/2019 Q1: 13/11/2019 Q2: 12/02/2020 Q3: 13/05/2020
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	Q1 (2018-19 financial statements): Presented 11/09/2019 Q2 (September 2019): Presented 13/11/2019 Q3 (December 2019): Presented 12/02/2020 Q4 (March 2020): Presented 13/05/2020
19. Risk reporting (6-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES: 19/11/2019 and 30/06/2020
20. Performance reporting (6-monthly 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: Full-year results – post-Auditor-General review and approvals in August 2019 Half-year results and quality control review of non-financial results completed in February 2020

Governance and management items	Assessment	Outcome
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: 23/09/2019
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: 12/06/2019
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act	YES: 30/06/2020 (CEO to council staff (VicSmart)) 15/06/2020 (Council to CEO) 15/06/2020 (Council to council staff) 26/03/2020 (Council to CEO – COVID-19 state of emergency) 23/01/2019 (Sub-delegation CEO to council staff) 20/04/2017 (CEO to council staff (CEO powers)) 20/03/2020 (MBS to building 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

Task Force on Climate-related Financial Disclosures

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are committed to providing our community with information on how we are working to manage climate change risks through our various planning, strategic and operational processes.

We recognise we are on a journey to enhance our management and disclosure of this critical risk. We will work to progressively improve our disclosures in line with the TCFD's recommended framework for voluntary and consistent climate-related financial reporting.

Climate change governance

Moreland Council considers climate change to be a critical strategic risk. We are addressing this risk through our declaration of a climate emergency. And through our adoption of the Zero Carbon Moreland – Climate Emergency Action Plan.

In implementing this plan, we will continuously improve our climate change governance by:

- embedding climate risk within our operations and municipal responsibilities
- improving our procedures
- strengthening our accountability measures.

Under current governance arrangements:

- Executive oversees our organisational response to climate change risks and opportunities, led by our City Change team.
- Progress on the Zero Carbon Moreland Action Plan is reported to Council on a quarterly basis.
- Corporate Governance, in conjunction with City Change, is driving the visibility and reduction of environmental impacts across the organisation. This is through the establishment of an Environmental Management System.
- All 2020-21 Service Unit Plans were developed to incorporate actions to drive the organisation-wide effort to respond to the climate emergency.
- City Change provides expertise to integrate climate emergency thinking and actions across our operations and municipal responsibilities.

Statutory information

Victorian and Federal Government investigations

Moreland Council was not the subject of any Victorian or Federal Government investigations.

Documents available for public inspection

We are committed to open and transparent governance under the *Local Government Act 1989* (the 'Act') and the *Local Government (General) Regulations 2015*.

The following documents are available for public inspection at the Coburg Civic Centre, 90 Bell Street, Coburg*:

1. Details of overseas or interstate travel (other than interstate travel by land for fewer than 3 days) undertaken in an official capacity by any councillor or Moreland Council employee in the previous 12 months, including:
 - a. name of councillor or Moreland Council employee
 - b. dates on which the travel began and ended
 - c. destination of the travel
 - d. purpose of the travel
 - e. total cost to Moreland 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.

Note: there were no committees operating in 2019-20 that were established under section 86 of the Act.

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 Moreland Council as lessor. This includes 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 Moreland Council in the previous 12 months. This includes the names of persons who, or bodies that, received a donation or grant and the amount of each donation or grant.

* May be closed due to public health restrictions. If you would like to inspect any of these documents, please visit www.moreland.vic.gov.au for updated information or contact our Governance Unit on 9240 1111.

Best value

At least once every year a council must report to its community on what it has done to ensure it has given effect to the best value principles. This is a requirement under section 208G of the *Local Government Act 1989*.

The best value principles 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.

The new *Local Government Act 2020* (the 'Act') received Royal Assent on 24 March 2020. The first phase of its reforms was proclaimed on 6 April 2020. The new Act reforms the local government sector. It aims to improve democracy, accountability and service delivery.

The new Act is based on 5 principles that support us to drive ongoing improvement. These are:

1. **Community engagement.** This principle aims to ensure all Victorians have the opportunity to engage with their council on the future of their community.
2. **Strategic planning.** This requires councils to develop an integrated, longer-term and transparent approach to planning that supports councillors in leading strategically, rather than focusing on operational issues.
3. **Financial management.** This principle aims to ensure rates will be used to deliver a range of services and infrastructure.
4. **Public transparency.** This principle supports openness, accountability and honesty to build high levels of accountability and trust among citizens and enable fully informed engagement in the democratic process.
5. **Service performance.** This principle ensures councils deliver services to the community that are equitable, accessible, good value and meet the needs of their diverse communities.

We continued to drive performance improvement and ensure service delivery aligned to the best value principles and the *Local Government Act* principles.

This included:

- continued work to improve our planning and budgeting approach
- a series of service reviews
- an ongoing continuous improvement program (outlined below).

1. Annual service planning and budgeting

The annual planning and budgeting working group continued to support the implementation of the council plan and service delivery initiatives.

We used the online budget simulator to engage with the community and ensure the budget would meet community expectations. This work took place in November and December 2019.

We held 3 pop up engagement sessions at:

- Brunswick Library
- Glenroy Library
- Coburg Night Market.

During the budget consultation we held 2 phone-in sessions for the community to provide feedback.

We held engagement sessions across the business for the annual planning of the council action plan, service unit plan and budget. This was led by a cross-organisational team.

We performed quarterly reviews of the budget aligned to the council action plan and integrated reporting to Council.

The impact of the COVID-19 pandemic on service delivery and results was seen in the third quarter and end of year reporting. COVID-19 has had an impact on operations and direction across the organisation. Actions to respond to the pandemic replaced expected actions in service unit plans for many teams.

Our performance for the 2019-20 financial year was 80% completion of service plan actions. This was down from 95% for the 2018-19 financial year.

2. Service reviews

During the year we reviewed several of our services. We did this to ensure their way of working provides best value in the performance of their operations.

Risk, Insurance and Audit Review

In mid-2019 we undertook a review of the risk, insurance and audit functions within Corporate Governance. The audit function provides leadership and coordination of the internal audit program and management of the Audit and Risk Committee to drive continuous improvement, performance and risk management across our operations.

The risk function provides leadership in managing Moreland Council's:

- risk profile
- business continuity efforts
- insurance program.

We reviewed the processes and structure of these functions to determine how best to strengthen our approach to risk management.

As a result, we combined the audit, risk and insurance functions and formed the Integrity, Risk and Resilience Unit. This has increased capacity to provide strategic risk advice. We incorporated responsibility for fraud prevention and control into the Unit. This was along with responsibility to lead establishment of an Environmental Management System (EMS).

The revised structure will improve organisational performance in risk management, audit, fraud prevention and control, and the EMS. It will also build organisational capability through pro-active communication, development and training opportunities.

City Strategy and Design

We completed a restructure of the City Strategy and Design Branch in 2019-20. This followed an organisation-wide restructure in 2018.

The Amendments Unit became a Strategic Planning Unit. It now has responsibility for both land use strategy and planning scheme amendments. This ensures greater alignment between the 2 outputs and improved planning scheme outcomes.

These changes enabled the creation of a new Strategy and Research Unit. This ensures we can better plan for Moreland's growing population, informed by evidence and research. It also establishes a central point in the organisation to steward strategies that drive business and investment prioritisation. This unit leads community infrastructure planning.

It also established an Affordable Housing Lead to maximise outcomes for affordable housing that can be leveraged from:

- private development
- the Moreland Affordable Housing Ltd
- advocacy.

Information Technology

In mid-2019 we reviewed our Information Technology and Records Management Branch. The review involved a maturity assessment of ICT functions, processes and capabilities. We also conducted high-level benchmarking of ICT services with neighbouring councils. The review resulted in a reallocation of resources from existing teams and the creation of new services.

We created dedicated reporting and analytics roles to centralise and standardise our approach to reporting on key metrics and improve decision making through better business intelligence.

A centralised IT project services team was also created to standardise and improve our IT project management services.

Environmental health

Following the digitisation of environmental health in the previous year, we took more opportunities to leverage these benefits and improve communications with our customers.

We sent a survey and series of digital communications to all our food premises and other customers. These sought to:

- inform customers of any changes in the service
- give news updates
- provide general environmental health advice to assist customers with their businesses.

This communication method was particularly useful for communication about changes due to COVID-19.

We also sent all health registration renewals electronically for the first time. This allowed customers to apply and pay online with ease. This saved time and money associated with mailing renewals and registration stickers. It was also more environmentally friendly and a much better experience for our customers. This has resulted in greater take up of registration and reduced follow up for our staff.

Building Services Unit

The Building Services Unit reviewed its report and consent procedures during the year. We identified opportunities to make improvements to systems and processes. We made improvements to streamline workflows and digitise the service.

This work was accelerated just before COVID-19. This meant that at the start of the pandemic the service was able to operate remotely. The implementation of online lodgement and elimination of paper files proved essential for our customers unable to access our front counters. This allowed us to maintain our service throughout the pandemic.

Planning Enforcement Unit

We identified opportunities to make improvements to systems and processes in our Planning Enforcement Unit. We did this through an internal audit.

The enhanced, proactive planning enforcement approach is now well established. This includes 2 extra staff members. The service is meeting all targets associated with monitoring developments to ensure they follow planning approvals.

The program has found common areas of non-compliance. These relate to landscaping completion or commitments to environmental features, such as water tanks or solar panels, that were not being met. These are now being strictly enforced.

The Urban Planning Unit has trialled our Design Excellence Scorecard. This sets an aspirational benchmark for design excellence. It incentivises new development in Moreland to strive for better than the 'acceptable' design outcomes required through the Victorian planning system or achievable through VCAT appeals.

We have seen a small handful of projects meet the scorecard. Many more have been enhanced through efforts to deliver:

- improved Environmentally Sustainable Development
- disability access
- quality architecture
- affordable housing
- other community benefits.

3. Continuous improvement program

We continued to streamline and improve processes over the past year. We also worked to build our continuous improvement capability in line with the *Local Government Act 2020*. This has led to better outcomes for the community and more efficient ways of working internally.

A large focus was enabling Moreland employees to take part in continuous improvement via a structured program of work. This delivered key improvements in our customer service approach including:

- keeping our Customer Service team informed of breaking news
- an improved approach to how we handle phone messages from the community
- ensuring managers are kept informed on the customer service performance of their team.

The program has also improved how we engage with our external legal advisors.

The introduction of continuous improvement capability building has helped to nurture ideas for service unit improvements. This has resulted in a reduction in time spent on non-value-added activities. We have more time to focus on servicing the community.

We have automated many manual processes, including:

- Open Spaces implemented ground inspection software. This enables real-time mobile reporting, including photos, of any issues in our sports fields. This software also escalates occupational health and safety concerns directly to team supervisors.
- Youth Services integrated the system for booking meeting rooms and their bus into our customer request system.

We have streamlined processes to reduce cycle time or costs, including:

- Human Resources introduced online police checks. This reduces the time it takes to process new candidates, while improving the experience for applicants.
- Human Resources reviewed employee training and introduced better quality courses at a reduced price.
- Human Resources reviewed and streamlined our process for advertising vacant positions. This provides additional advertising for a reduced price.

We have laid a solid foundation in our continuous improvement work. This has been practiced and tested during the COVID-19 pandemic. The challenge showed our values-based approach to working together to deliver improvements to the way we work now and into the future.

Freedom of Information

The Freedom of Information Act 1982 (the 'Act') gives the community a legal right to access certain council documents.

The Act has 4 basic principles:

1. The public has a legal right of access to information.
2. Local governments are required to publish information on the documents they hold.
3. People may request 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 that are directly related to our operations. In 2019-20, we received 31 Freedom of Information (FOI) applications. In 2018-2019, we received 45 FOI applications.

Of the 31 applications received in 2019-20:

- in 2 cases applicants were granted access to documents in full
- in 1 case there were no documents to provide in response to the request
- in 1 case the request was withdrawn
- requests for documents were partially granted for the remaining applications.

The most common reason parts of a document were redacted was to prevent the unreasonable disclosure of information relating to the personal affairs of a person.

Many other requests for information did not eventuate as FOI applications. This is because we were able to provide the information sought outside of the FOI process.

Under the Act, we have submitted our report on the operation of the Act for inclusion in the annual report of the Freedom of Information Commissioner to Parliament.

Accessing Freedom of Information

Requests to access Freedom of Information must be in writing and accompanied by an application fee of \$29.60. The fee has not increased for 2020-21.

We must make a decision about the release of documents within 30 days of receiving a valid application. This is unless an extension of time is agreed. Where a decision is made to refuse or defer access, we will notify the applicant in writing of the reasons for the refusal. We will outline the procedures available to appeal our decision.

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

Local laws

Moreland City Council has 2 local laws.

The purpose of General Local Law 2018 is to:

- promote a physical and social environment that is accessible and free from hazards to health, in which the residents of and visitors to the municipality can enjoy a quality of life that meets the general expectations of the community
- protect the use of public places and control activities in, on or near them
- provide for safety in public places
- control, protect and conserve the environment and maintain the amenity of the municipality

- provide for, control and manage the use of premises and vehicles in particular circumstances
- regulate the number and manner of keeping of animals
- control, prevent and abate nuisances
- provide for the peace, order and good government of the municipality.

The objectives of the Meeting Procedure Local Law 2018 are to:

- provide the procedures governing the conduct of Council Meetings
- provide for the election of the Mayor and a Deputy Mayor
- set the rules of behaviour for those participating in, or present at, meetings
- provide for the appointment of councillor office holders and assignments as members of committees established by the council or as council representatives to external committees and organisations
- provide for the use of the council's Common Seal.

Whistleblower legislation – Public Interest Disclosures

The *Public Interest Disclosures Act 2012* (the 'Act') replaced the *Protected Disclosure Act 2012* on 1 January 2020. This followed a review of Victoria's integrity regime.

The Act has strengthened support for people making disclosures which are in the public interest. Its purpose remains to encourage and facilitate disclosures of improper conduct.

The Act provides protection to whistleblowers who make disclosures in accordance with certain requirements. It also aims to ensure disclosures are investigated. Moreland Council adopted a Public Interest Disclosure (Whistleblower) Policy in December 2019.

Under the requirements of the Act, we established a Public Interest Disclosure Procedure in December 2019. This is supported by a series of guidelines. Managers received training to strengthen their understanding of public interest disclosures. This took place in early 2020.

During the reporting period, there was 1 disclosure notified to the Independent Broad-based Anti-corruption Commission.

Internal or external whistleblowers can contact our Public Interest Disclosures Coordinator on 9240 1111.

Information Privacy Policy

Responsible handling of personal information is a key aspect of good democratic governance. We are committed to protecting every individual's right to privacy.

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). We comply with the Information Privacy Principles and Health Privacy Principles contained in the Acts.

Our privacy policy applies to all personal information collected or held by Moreland City Council. We started a review of the policy in June 2020. This is to examine its effectiveness and ensure it is in keeping with current community and legislative expectations.

Our Information Privacy Policy and Health Records Policy apply to all our employees, councillors and contractors.

We ensure personal information is protected through:

- training and awareness sessions
- local procedures
- a policy manual.

Strong security frameworks around the use and disclosure of personal information are also in place.

Anyone who wants to access their personal information should contact the area of the council that collected it.

If you believe your personal information is inaccurate, incomplete or out of date, you may request we correct the information.

If you feel aggrieved by our handling of your personal information, you may make a complaint to our Privacy Officer. We will investigate your complaint and provide you with a response.

You can also make a complaint to the Office of the Victorian Information Commissioner (OVIC). During the reporting period, there were no complaints referred to us by OVIC.

Legislative environment

We operate and deliver services under, and in accordance with, over 80 different pieces of Victorian primary legislation and the regulations made under those Acts.

Many sections of this report address specific legislation including the:

- Domestic Animals Act 1994
- Road Management Act 2014
- Privacy and Data Protection Act 2014
- Public Health and Wellbeing Act 2008.

We have highlighted some key Acts, particularly where there has been a change over the course of the year.

Local Government Act

The *Local Government Act 1989* is being replaced by the *Local Government Act 2020* (the new 'Act'). This is taking place through a staged implementation that started on 1 May 2020.

The new Act introduced:

- a principles-based approach to ensuring good governance (including good financial management and planning processes)
- strong community engagement
- transparency.

It requires councils to embed overarching governance principles and supporting principles. We have responded by:

- incorporating the principles into any policy reviews
- talking to staff about what the principles mean in their roles
- starting the development of new governance rules.

These new governance rules include:

- how Council Meetings will run
- a new Public Transparency Policy
- a new Council Expenses Policy.

We have also mapped all the requirements of the new Act with their deadlines. This is to ensure we have a planned and considered approach to their implementation.

Planning and Environment Act 1987

The *Planning and Environment Act 1987* provides the legal framework for what Moreland will look like. It governs the processes involved to determine what land can be used for – open space, industry, homes, for example – as well as the processes for permits to develop certain land. During 2019-20 there were no significant changes to this legislation.

Freedom of Information Act 1982

The Victorian Information Commissioner's Professional Standards for Freedom of Information came into effect on 1 December 2019.

These standards outline the best approach for responding to the requests for information we receive. They aim to improve access to information and are mandatory.

There was no significant change to the way we approach Freedom of Information requests under the new standards. But as they provide great guidance, we provided training and information for areas of the council that search for documents.

Building Regulations 2018

New laws to improve swimming pool and spa safety came into effect in Victoria on 1 December 2019. They introduce new registration, inspection and certification requirements for property owners.

As part of the changes, owners are required to register their pool and spa with their local council. They also need to have their safety barrier inspected every 4 years.

Our Building Services team made sure they were aware of what we need to do and that we were ready to take on the role of managing the new requirements.

Contracts

During the year Moreland 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 *Local Government Act 1989* (the 'Act').

We entered into the contracts listed below – valued at \$150,000 or more for goods or services or \$200,000 or more for works – without engaging in a competitive process:

- Project Resource Partners (contracting services and project resources) – spend: \$508,939 including GST
- Data #3 Limited (IT software licensing and maintenance, IT project management and consultancy) – spend: \$454,392 including GST.

During the year, we received a statewide exemption under section 186 of the Act to extend recycling collection contracts to June 2021. This allowed us to continue our existing contract. This exemption was granted to all councils in Victoria by the Minister for Local Government, The Honourable Adem Somyurek MP. It aimed to help ease the administrative burden on councils and support Victoria's recycling sector.

Disability access and inclusion plan

We have a Disability Access and Inclusion Plan 2016-20 as we are committed to making Moreland a more accessible city. We prepared this plan in accordance with section 38 of the *Disability Act 2006*.

During 2019-20, we implemented the following initiatives as part of the plan:

- provided administrative support and convened the Moreland Disability Working Group, with bi-monthly meetings
- reviewed the working group's terms of reference and inducted 3 new members
- convened the Moreland Disability Service Provider Network and chaired quarterly meetings
- established a new cross-council network made up of access and inclusion officers. This network includes officers from 8 inner-northern councils of Melbourne

- implemented a Disability Work Experience Program. This was delivered through the Municipal Association of Victoria, with funding from National Disability Insurance Scheme grants. Two people with disability were placed across 2 council units for 14 weeks. COVID-19 disrupted this program and it is currently postponed
- implemented disability awareness training to 4 council units taking part in the above program. This training was delivered by Scope
- delivered advocacy campaigns and consultation affecting people with disability. This included the Disability Royal Commission and level crossing removal project
- delivered the disability awareness workshop Inclusion in Action for neighbourhood house staff. We employed people with disability to co-facilitate this workshop. The workshop was delivered through the MetroAccess Program
- concluded the Victorian Government-funded MetroAccess Program
- established an inclusive modified tennis program for people with disability. This was a partnership with Tennis Victoria, Milparinka Disability Service and West Brunswick Tennis Club
- hosted a blind person for 2 days of work experience as part of AccessAbility Day
- delivered disability awareness information/training at library staff forums
- delivered a major inclusive art event for International Day for People with Disability. Artwork from local people with disabilities was exhibited in a 'street gallery' throughout Moreland. A person with disability was employed to assist delivering the event. This work was a partnership with Arts Access Victoria, Brotherhood of St Lawrence (NDIS) and Newland and East Coburg Neighbourhood Houses (Open Studio)
- partnered with our Communications unit to develop accessible resources. This included Easy English brochures, captioning on videos and universal access symbols
- promoted and supported staff education in the use of Hearing Loop systems
- provided advice for disability access improvement works across various locations throughout Moreland
- reviewed our Good Access is Good Business program and submitted a report to Council
- compiled and promoted COVID-19 resources for people with disability
- developed a COVID-19 Disability Advocacy Implementation Plan
- responded to more than 150 internal and external community consultations, enquiries and complaints related to disability.

Domestic animal management

Under the *Domestic Animals Act 1994* (the 'Act'), we prepare a domestic animal management plan every 4 years. This is done in consultation with the Victorian Department of Economic Development, Jobs, Transport and Resources.

Moreland Council endorsed its Domestic Animal Management Plan 2017-21 on 6 December 2017. It was submitted to the department on 21 December 2017.

Key objectives in the plan include:

- encouraging responsible pet ownership
- educating the community on topics related to animal management
- increasing registration of domestic cats and dogs
- ensuring animal management officers have appropriate training
- identifying dangerous, menacing and restricted breed dogs in the municipality to ensure they are kept in accordance with the Act and relevant regulations
- minimising the risk of dog attacks
- reducing the nuisance caused by cats and dogs.

Implementation of the plan has included:

- reviewing the animal registration database
- subsidising desexing programs
- promoting responsible pet ownership
- developing a domestic animal business audit.

Food Act ministerial directions

In accordance with section 7E of the *Food Act 1984*, we are required to publish a summary of any ministerial directions received during the financial year here. We did not receive any ministerial directions during the financial year.

Road Management Act ministerial directions

In accordance with section 22 of the *Road Management Act 2004*, we must publish a copy or summary of any ministerial direction in our annual report. We did not receive any ministerial directions during 2019-20.

Charter of Human Rights and Responsibilities commitment

The *Charter of Human Rights and Responsibilities Act 2006* sets out the basic rights, freedoms and responsibilities of all people in Victoria.

The charter requires governments, local councils and other public authorities consider human rights when they:

- make laws
- develop policies
- provide services.

We are committed to complying with the charter. Our Community Development and Social Policy team conducted human rights charter assessments for key policies during the year. These included on the potential impact of:

- proposed changes to parking across Moreland
- amendments to planning schemes.

During the year, we also:

- implemented our Social Cohesion Plan, including through the:
 - Moreland Democracy Lab
 - Glenroy Social Cohesion Project
 - Fawkner Grows: Fawkner Eats
- conducted training for staff on diversity and inclusion
- provided advice to staff in the development of policies
- provided cultural awareness training for staff with the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation.

We also held 5 cultural consultations with the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation. This was to get advice on projects and policies that impact on cultural rights and practice.

Our committees and working groups also consulted with the community on:

- advocacy issues, including level crossing removal
- the naming of local streets
- natural resource management plans.

This work was done by our:

- Human Rights Advisory Committee
- Disability Working Group
- Gender Equality Reference Group
- Reconciliation Working Group.

National Competition Policy annual statement of compliance

Moreland City Council has an ongoing commitment to comply with the National Competition Policy and we are obligated to adhere to competitive neutrality principles. During the 2019-20 financial year, Moreland City Council complied with the requirements of the National Competition Policy and did not receive any complaints in relation to competitive neutrality.

Infrastructure and development contributions

We 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 2019–20, the following information about development contributions is disclosed.

Table 1 - Total Development Contributions Plan (DCP) levies received in 2019-20 financial year

DCP name and year approved	Levies received in 2019-20 financial year (\$)
Moreland DCP (2015)	\$1,420,875
Total	\$1,420,875

Table 2 - DCP land, works, services or facilities accepted as works-in-kind in 2019-20 financial year

DCP name and year approved	Project ID	Project description	Item purpose	Project value (\$)
Moreland DCP (2015)				
Total				\$0

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

DCP name and year approved	Total levies received (\$)	Total levies expended (\$)	Total works-in-kind accepted (\$)	Total DCP contributions received (levies and works-in-kind) (\$)
Moreland DCP (Gazetted 10 September 2015)	\$8,050,373	\$5,394,116	\$0	\$8,050,373
Total	\$8,050,373	\$5,394,116	\$0	\$8,050,373

Table 4 - Land, works, services or facilities delivered in 2019-20 financial year from DCP levies collected

Project description	Project ID	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Moreland Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Raeburn Reserve Public Toilets 8 to 42 Landells Road, Pascoe Vale	CF007	Moreland DCP (2015)	16,125	0	123,938	0	140,063	100%
Cole Reserve North Football Cumberland Road Pascoe Vale	CF039	Moreland DCP (2015)	26,388	0	609,612	0	636,000	100%
Reddish Reserve-Soccer 2-42 Domain Street Glenroy	CF061	Moreland DCP (2015)	17,722	0	343,863	0	361,585	100%
Mailer Reserve-Tennis Moreland Road Coburg	CF070	Moreland DCP (2015)	23,136	0	303,741	0	326,877	100%
Cole Reserve-South-Soccer 177b Cumberland Road Pascoe Vale	CF089	Moreland DCP (2015)	4,027	0	37,303	0	41,330	100%
Batman Ave Gaffney-Ryan Coburg	RD0036	Moreland DCP (2015)	17,860	0	15,196	0	33,056	100%
The Avenue Dead End-De Carle Coburg	RD0182	Moreland DCP (2015)	33,698	0	518,089	0	551,787	100%
Moascar Street Mitchell-Gallipoli Pascoe Vale South	RD0227	Moreland DCP (2015)	792	0	11,781	0	12,573	100%
Rogers Street Ross-Dead End Coburg	RD0289	Moreland DCP (2015)	52,851	0	281,802	0	334,653	100%

Project description	Project ID	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Moreland Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Waterfield Street Bell-Victoria Coburg	RD0294	Moreland DCP (2015)	124,961	0	268,449	0	393,410	100%
Primula Boulevard Dead End-South-Lanark Gowanbrae	RD0326	Moreland DCP (2015)	1,636	0	15,742	0	17,378	100%
Marlborough Street Albert-Princess Fawkner	RD0344	Moreland DCP (2015)	-534	0	658,272	0	657,738	100%
Avenue the Nicholson-Dead End Coburg	RD0458	Moreland DCP (2015)	13,496	0	405,794	0	419,290	100%
Vaux Street Gallipoli-Mitchell Pascoe Vale	RD0461	Moreland DCP (2015)	6,011	0	60,194	0	66,205	100%
Marlborough Street Imaroo-Derby Fawkner	RD0560	Moreland DCP (2015)	-3,447	0	379,771	0	376,324	100%
Ronald Street Boyne-Boyne Coburg North	RD0593	Moreland DCP (2015)	10,594	0	356,769	0	367,363	100%
Blair Street De Carle-Barrow Coburg	RD0615	Moreland DCP (2015)	40,010	0	42,585	0	82,595	100%
Apsley Street Cardinal-Murray Glenroy	RD0616	Moreland DCP (2015)	1,419	0	24,750	0	26,169	100%
Becket Street Gervase-Muntz Glenroy	RD0657	Moreland DCP (2015)	1,864	0	401,692	0	403,556	100%
Karin Crescent Dead End-Augustine Glenroy	RD0704	Moreland DCP (2015)	1,306	0	22,784	0	24,090	100%
Lorensen Avenue Orvieto-Dead End Coburg North	RD0789	Moreland DCP (2015)	11,363	0	154,735	0	166,098	100%

Project description	Project ID	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Moreland Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Maude Avenue Melbourne-Glenroy Glenroy	RD0845	Moreland DCP (2015)	1,473	0	28,423	0	29,896	100%
Barak Court; Rhodes – Dead End: Both Carriageways Oak Park	RD1217	Moreland DCP (2015)	1,514	0	17,022	0	18,536	100%
Fleming Park Community Facility: Fleming Park, 47-51 Albert Street, Brunswick	CF011	Moreland DCP (2015)	0	0	255,719	0	255,719	21%
Sydney Road Streetscape: Coburg	RD0001	Moreland DCP (2015)	260,259	0	857,621	0	1,117,880	28%
Total			\$664,524	\$0	\$6,195,647	\$0	\$6,860,171	

**Moreland City Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2020

Moreland City Council

Financial Report

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Certification of the Financial Statements

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



Melissa Baker, Certified Practising Accountant
Principal Accounting Officer (Acting)

Date : 28/09/2020

Coburg, Victoria

In our opinion the accompanying financial statements present fairly the financial transactions of Moreland City Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

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



Lambros Tapinos
Mayor

Date : 28/09/2020

Coburg, Victoria



Cathy Henderson

Chief Executive Officer

Date : 28/09/2020

Coburg, Victoria



Oscar Yildiz
Deputy Mayor

Date : 28/09/2020

Coburg, Victoria

Independent Auditor's Report

To the Councillors of Moreland City Council`

Opinion	I have audited the financial report of Moreland City Council (the council) which comprises the: • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial report. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I 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 financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors's responsibilities for the financial report	The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report 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 Auditing Standards will always detect a material misstatement when it exists. 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 economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events 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
29 September 2020



Sahchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	159,319	151,525
Statutory fees and fines	3.2	12,906	12,988
User fees	3.3	6,474	7,013
Grants - operating	3.4a	21,407	17,973
Grants - capital	3.4b	1,443	4,933
Contributions - monetary	3.5	14,770	15,235
Contributions - non monetary	3.5	468	618
Other income	3.7	4,505	7,167
Total income		221,293	217,451
Expenses			
Employee costs	4.1	89,608	84,151
Materials and services	4.2	59,186	68,094
Depreciation	4.3	25,678	25,267
Amortisation - right of use assets	4.4	236	236
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	5,303	4,875
Bad and doubtful debts	4.5	3,957	3,365
Borrowing costs	4.6	1,090	1,404
Other expenses	4.7	4,209	229
Fair value adjustments for investment property	6.3	884	5,957
Total expenses		190,151	193,577
Surplus/(deficit) for the year		31,142	23,874
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	214,404	(102,834)
Total comprehensive result		245,547	(78,960)

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

Balance Sheet

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	57,541	30,057
Trade and other receivables	5.1	24,906	26,621
Other financial assets	5.1	41,500	69,000
Inventories	5.2	295	350
Other assets	5.2	2,137	1,196
Total current assets		126,379	127,223
Non-current assets			
Unlisted shares	6.2	2	2
Property, infrastructure, plant and equipment	6.1	2,250,811	2,015,780
Right-of-use assets	5.8	1,417	1,653
Investment property	6.3	26,000	26,695
Total non-current assets		2,278,230	2,044,131
Total assets		2,404,610	2,171,354
Liabilities			
Current liabilities			
Trade and other payables	5.3	17,576	24,430
Trust funds and deposits	5.3	5,812	7,077
Unearned Income	5.3	2,718	-
Provisions	5.5	20,779	19,104
Interest-bearing liabilities	5.4	1,230	9,105
Total current liabilities		48,115	59,716
Non-current liabilities			
Provisions	5.5	1,817	1,765
Interest-bearing liabilities	5.4	24,971	26,217
Total non-current liabilities		26,789	27,982
Total liabilities		74,905	87,698
Net assets		2,329,706	2,083,656
Equity			
Accumulated surplus		655,226	635,595
Asset revaluation reserve	9.1	1,612,159	1,397,755
Other reserves	9.1	62,321	50,306
Total Equity		2,329,706	2,083,656

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

Statement of Changes in Equity For the Year Ended 30 June 2020

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

		Total	Accumulated	Revaluation	Other
		\$'000	Surplus	Reserve	Reserves
			\$'000	\$'000	\$'000
2019					
Balance at beginning of the financial year		2,156,318	586,499	1,500,589	69,231
Recognition of previously unrecognised non-current assets					
- Infrastructure Assets		58	58	-	-
- Building Assets		5,382	5,382	-	-
- AASB 9 adjustment		858	858	-	-
Surplus/(deficit) for the year		23,874	23,874	-	-
Net asset revaluation increment/(decrement)	9.1a	(102,834)	-	(102,834)	-
Transfers to other reserves	9.1b	-	(30,429)	-	30,429
Transfers from other reserves	9.1b	-	49,353	-	(49,353)
Balance at end of the financial year		2,083,656	635,595	1,397,755	50,307

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 2020

		2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		155,395	147,384
Statutory fees and fines		13,253	9,237
User fees		6,659	7,556
Grants - operating		22,527	19,770
Grants - capital		3,041	5,426
Contributions - monetary		14,770	16,049
Interest received		1,367	3,468
Trust funds and deposits taken		33,544	19,961
Other receipts		3,658	4,410
Net GST refund/payment		3,465	7,278
Employee costs		(87,880)	(92,630)
Materials and services		(69,341)	(61,784)
Trust funds and deposits repaid		(34,808)	(16,399)
Other payments		(4,630)	(241)
Net cash provided by/(used in) operating activities	9.2	61,020	69,484
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(51,166)	(75,331)
Proceeds from sale of property, infrastructure, plant and equipment		341	1,484
Proceeds from Redeeming Long Term Investments		27,500	-
Payments for other financial assets		-	(13,000)
Net cash provided by/(used in) investing activities		(23,325)	(86,846)
Cash flows from financing activities			
Finance costs	4.6	(1,090)	(1,404)
Repayment of borrowings	5.4	(9,121)	(1,084)
Net cash provided by/(used in) financing activities		(10,211)	(2,487)
Net increase (decrease) in cash and cash equivalents		27,484	(19,849)
Cash and cash equivalents at the beginning of the financial year		30,057	49,906
Cash and cash equivalents at the end of the financial year		57,541	30,057
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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 2020

	Note	2020 \$'000	2019 \$'000
Property			
Land		12,597	38,231
Total land		12,597	38,231
Buildings		6,122	25,628
Total buildings		6,122	25,628
Total property		18,719	63,859
Plant and equipment			
Plant, machinery and equipment		2,509	1,975
Fixtures, fittings and furniture		447	150
Computers and telecommunications		268	-
Library books		992	1,001
Total plant and equipment		4,215	3,126
Infrastructure			
Roads		8,923	5,549
Bridges		46	730
Footpaths and cycleways		4,471	4,403
Drainage		3,831	4,475
Other infrastructure		4,280	11,897
Total infrastructure		21,551	27,055
Total capital works expenditure		44,486	94,040
Represented by:			
New asset expenditure		22,958	55,054
Asset renewal expenditure		16,841	30,270
Asset expansion expenditure		3,549	5,675
Asset upgrade expenditure		1,138	3,041
Total capital works expenditure		44,486	94,040

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 2020

OVERVIEW

Introduction

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS'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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Notes to the Financial Report

For the Year Ended 30 June 2020

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 June 2019. 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.

COVID-19 impact

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

At this time, all three levels of Government sought to provide additional resources to the community and adjust for the financial hardship they were facing. On 23 March 2020, Council adopted a COVID-19 Financial Hardship Policy which allowed the deferral of rate payments and interest waivers along with a number of financial support measures for the ratepayers and community at large. The uptake from the community for these provisions has seen an increase in assessments with outstanding balances from 9% in June 2019 to 16% at 30 June 2020. The balance of rate debtors has increased 33% from June 2019, which is not only due to COVID-19 related deferrals but also the 2.5% increase in the rates base and 2% increase in the number of assessments.

Other support included:

- 7-day supplier payment terms
- Food registration renewal fees waived for the 2020 calendar year
- Refunds for all fees paid in advance for services which can no longer take place
- Community Grants Program to provide specific COVID-19 related relief
- Fee waivers for sporting clubs
- Parking meters turned off for the duration of the emergency

The financial impacts to Council to 30 June 2020:

- Increased costs of \$1.0m for the closure of leisure centres
- Deferral of rates revenue/ interest free period \$0.9 million
- Waiver of sporting fees \$0.1 million decrease in revenue
- Parking income loss of \$0.1 million
- Infringements loss of \$0.9 million
- Venue hire income \$0.1 million loss

Further information is provided in Note 1.1(i) Explanation of Material Variations

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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	157,590	159,319	1,729	1%	
Statutory fees and fines	13,901	12,906	(995)	-7%	
User fees	5,212	6,474	1,262	24%	1
Grants - operating	15,184	21,407	6,223	41%	2
Grants - capital	2,570	1,443	(1,127)	-44%	3
Contributions - monetary	14,050	14,770	720	5%	
Contributions - non monetary	-	468	468	100%	4
Other income	7,721	4,505	(3,216)	-42%	5
Total income	216,228	221,293	5,065	2%	
Expenses					
Employee costs	94,808	89,608	5,200	5%	6
Materials and services	59,944	59,186	758	1%	
Depreciation	25,523	25,678	(155)	-1%	
Amortisation - Right of use assets	-	236	(236)	100%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	5,303	(5,303)	100%	7
Bad and doubtful debts	2,031	3,957	(1,926)	-95%	8
Borrowing costs	1,377	1,090	287	21%	9
Fair value adjustments for investment property	-	884	(884)	100%	10
Other expenses	494	4,209	(3,715)	-752%	11
Total expenses	184,177	190,151	(5,974)	-3%	
Surplus/(deficit) for the year	32,051	31,142	(909)	-3%	

Notes to the Financial Report

For the Year Ended 30 June 2020

(I) Explanation of material variations

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	User fees	Primarily due to increased activity in transport related permits, unbudgeted income from pool registrations, as well as the profit share relating to the Leisure Centres.
2	Grants - Operating	Commonwealth Financial Assistance Grants instalment relating to 2020/21 was received in advance in June 2020. We also received the first milestone for the Working for Victoria program which was unbudgeted.
3	Grants - Capital	Grants capital had lower than anticipated revenue for 2019/20 as a result of change in accounting standard AASB 1058 and 15. Several unspent capital grants are reflected as a liability at 30 June 2020.
4	Contributions - non monetary	This variance is due to the recognition of unbudgeted developer contributed drainage assets.
5	Other Income	Other Income was lower than anticipated due to lower interest rates on investments than anticipated (\$1.4 million). This was partially impacted by lower cash levels as a result of the COVID-19 emergency response. Following a Special Council Meeting on 25 March 2020, Council adopted hardship and community relief measures to support the community in this uncertain time, including a COVID-19 Financial Hardship Policy, temporary 7-day payment terms for suppliers and waiving of food registration renewal fees for 2020, which had an impact on Council's available cash for investments.
		Other Income was also impacted by other waivers as a result of pandemic. Council waived all annual and winter sports ground and pavilion fees for the 2020 season as well as waiving property leases.
6	Employee Costs	Employee costs were lower than anticipated due to several vacancies throughout the 2019/20 year. Costs relating to training, courses and seminars have been reclassified from Employee Costs to Other Expenses to better reflect the nature of this expenditure.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The disposal of infrastructure and other assets during the year is unbudgeted. This mainly occurs during the replacement of roads and other infrastructure assets.
8	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.
9	Borrowing costs	Borrowing costs were lower than anticipated as a result of lower than anticipated interest rates on variable borrowings, as well as the finalisation of a Local Government Funding Vehicle bond in November 2019.
10	Fair value adjustments for investment property	Market valuations undertaken for Council's investment properties by qualified valuers, resulted in this overall decrease.
11	Other expenses	Actual costs relating to training, courses and seminars have been reclassified from Employee Costs to Other Expenses to better reflect the statutory nature of the Employee Costs expenditure.

Notes to the Financial Report

For the Year Ended 30 June 2020

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Property					
Land	-	12,597	12,597	100%	1
Total land	-	12,597	12,597	100%	
Buildings	12,821	6,122	(6,699)	-52%	2
Building improvements	405	-	(405)	-100%	
Total buildings	13,226	6,122	(7,104)	-54%	
Total property	13,226	18,719	5,493	42%	
Plant and equipment					
Plant, machinery and equipment	2,051	2,509	458	22%	3
Fixtures, fittings and furniture	172	447	275	160%	4
Computers and telecommunications	27	268	241	893%	5
Library books	1,000	992	(8)	-1%	
Total plant and equipment	3,250	4,216	966	30%	
Infrastructure					
Roads	11,308	8,923	(2,385)	-21%	6
Bridges	2,350	46	(2,304)	-98%	7
Footpaths and cycleways	3,734	4,471	737	20%	8
Drainage	1,460	3,831	2,371	162%	9
Recreational, leisure and community facilities	-	724	724	100%	10
Waste management	120	-	(120)	-100%	10
Parks, open space and streetscapes	8,677	2,586	(6,091)	-70%	10
Aerodromes	-	-	-	0%	
Off street car parks	1,266	222	(1,044)	-82%	10
Other infrastructure	585	748	163	28%	10
Total infrastructure	29,500	21,551	(7,949)	-27%	
Total capital works expenditure	45,976	44,486	(1,490)	-3%	
Represented by:					
New asset expenditure	11,554	22,958	11,404	99%	11
Asset renewal expenditure	26,993	16,841	(10,152)	-38%	12
Asset expansion expenditure	-	3,549	3,549	100%	13
Asset upgrade expenditure	7,429	1,138	(6,291)	-85%	13
Total capital works expenditure	45,976	44,486	(1,490)	-3%	

Notes to the Financial Report

For the Year Ended 30 June 2020

(i) Explanation of material variations

Ref.	Item	Explanation
1	Land	Council undertook several (unbudgeted) strategic purchases of land as part of its 'Park Close to Home: A Framework to Fill Open Space' initiative. Council is committed to creating new open space and A Park Close to Home will help deliver on this commitment. It should be noted that these purchases, whilst unbudgeted, have been funded by reserves specifically established for this purpose.
2	Buildings	Several large projects commenced but were not completed due to COVID-19 and therefore not capitalised and remain as Works in Progress. These include City Oval Grandstand Pavilion and Wheatsheaf Hub.
3	Plant, machinery and equipment	A greater number of Plant, machinery and equipment were purchased than budgeted.
4	Fixtures, fittings and furniture	Additional furniture & fittings purchased as well as several additional internal office fit outs during the year than anticipated.
5	Computers and telecommunications	Purchase of additional computer and telecommunications equipment.
6	Roads	A significant portion of expenditure budgeted for Council's road reconstruction and rehabilitation projects were re-classified as drainage assets upon capitalisation as well as some projects not completed by June.
7	Bridges	Capitalised expenditure on bridges is underspent due to bridge construction works at Edgars Creek and Footbridge at Kingfisher Gardens not completed by June therefore unable to be capitalised.
8	Footpaths and cycleways	A portion of expenditure budgeted for Council's road reconstruction and rehabilitation projects were re-classified as parks, open space and streetscapes and other structures.
9	Drainage	A significant portion of expenditure budgeted for Council's road reconstruction and rehabilitation projects were re-classified as drainage assets upon capitalisation.
10	Other infrastructure types	The variance to budget is largely related to several large works still in progress such as Parks Close to Home projects as well as the Sports fields Stormwater Reuse Projects.
11	New asset expenditure	Relates to Council's unbudgeted purchases of land to increase the level of open space within Moreland as funded by Reserves.
12	Asset renewal expenditure	Mainly relates to several large road and building works still in progress and unable to be capitalised but due for completion in late 2020.
13	Asset upgrade expenditure	Predominantly relates to some projects being reclassified as expansion in nature instead of upgrade whilst some road and recreation projects were delayed.

Notes to the Financial Report

For the Year Ended 30 June 2020

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Chief Executive Officer Management

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

Finance and Property

Finance and Property provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes finance and rating services, property and procurement.

City Infrastructure Department

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

Business Transformations

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

City Futures

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

Community Development Department

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

Engagement and Partnerships

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

Notes to the Financial Report

For the Year Ended 30 June 2020

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

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Chief Executive Officer Management	-	568	(568)	-	6,372
Finance and Property	149,456	46,037	103,419	4,710	516,403
City Infrastructure	31,737	59,387	(27,650)	3,572	666,140
Business Transformations	470	19,609	(19,139)	-	219,958
Engagement and Partnerships	691	7,583	(6,892)	120	85,057
City Futures	17,373	19,245	(1,872)	424	215,875
Community Development	17,724	41,147	(23,423)	14,080	461,547
	217,451	193,577	23,874	22,906	2,171,354

Notes to the Financial Report For the Year Ended 30 June 2020

Note 3 Funding for the delivery of our services

3.1 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 its total market value of the land plus buildings and other improvements.
The valuation base used to calculate general rates for 2019/20 was \$56.8787 billion (2018/19 was \$61.2110 billion). The 2019/20 rate in the CIV dollar was 0.0024645 (2018/19 was 0.0022004).

	2020	2019
	\$'000	\$'000
General rates	139,343	133,315
Waste management charge	16,528	14,879
Special rates and charges	613	498
Supplementary rates and rate adjustments	2,054	2,832
Interest on rates and charges	781	-
Total rates and charges	159,319	151,525

*Please note that there was a reclassification of income in 2020. The figures for 2019 have not been adjusted.

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

	2020	2019
	\$'000	\$'000
Infringements and costs	7,586	7,970
Court recoveries	666	517
Building and Town planning fees	1,789	1,624
Land and Property information certificates	354	161
Other fines	272	500
Permits	2,239	2,216
Total statutory fees and fines	12,906	12,988

*Please note that there was a reclassification of income in 2020. The figures for 2019 have not been adjusted.

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

3.3 User fees

	2020	2019
	\$'000	\$'000
Aged and health services	1,580	1,780
Leisure centre and recreation	577	-
Parking	254	332
Registration and other permits	1,723	1,722
Building services	292	662
Road occupancy/ Right of way closures	62	165
Valuation fees	85	108
Waste management services	206	216
Other fees and charges	1,695	2,028
Total user fees	6,474	7,013

*Please note that there was a reclassification of income in 2020. The figures for 2019 have not been adjusted.

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

3.4 Grants

Grants were received in respect of the following :

Summary of grants

	2020	2019
	\$'000	\$'000
Commonwealth funded grants	13,377	12,247
State funded grants	9,472	10,659
Total grants received	22,850	22,906

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	5,123	4,710
Family day care and children's services	751	787
Aged care	6,904	6,371
Other	-	148

Recurrent - State Government

Home help	1,018	1,530
Families and Children	2,655	2,226
Food Services	34	51
Libraries	1,295	1,216
Other	73	374

Total recurrent operating grants	17,854	17,413
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	2020 \$'000	2019 \$'000
Non-recurrent - Commonwealth Government	-	-
Non-recurrent - State Government		
Environmental protection	40	166
Family and children	6	96
Other culture	-	30
Community welfare	-	50
Working for Victoria	3,236	-
Other	271	217
Total non-recurrent operating grants	3,553	560
Total operating grants	21,407	17,973

(b) Capital Grants

Recurrent - Commonwealth Government		
Roads to recovery	599	231
Recurrent - State Government		
Recreation	-	1,316
Other	-	6
Total recurrent capital grants	599	1,552
Non-recurrent - Commonwealth Government	-	-
Non-recurrent - State Government		
Buildings	-	750
Community Safety	93	167
Recreation	666	2,410
Other	86	54
Total non-recurrent capital grants	844	3,381
Total capital grants	1,443	4,933

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

Operating		
Balance at start of year	312	333
Received during the financial year and remained unspent at balance date	3,055	312
Received in prior years and spent during the financial year	(296)	(333)
Balance at year end	3,071	312
Capital		
Balance at start of year	2,390	1,476
Received during the financial year and remained unspent at balance date	1,221	2,390
Received in prior years and spent during the financial year	(1,540)	(1,476)
Balance at year end	2,071	2,390

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.

3.5 Contributions	2020 \$'000	2019 \$'000
Monetary	14,770	15,235
Non-monetary	468	618
Total contributions	15,239	15,852

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

Land	-	618
Other infrastructure	468	-
Total non-monetary contributions	468	618

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	342	1,484
Written down value of assets disposed	(5,645)	(6,360)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(5,303)	(4,876)

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

3.7 Other income

	2020	2019
	\$'000	\$'000
Interest*	1,367	3,155
Investment property rental	291	451
Other rent	1,722	1,958
Recoveries	688	377
Sale of non plant equipment	-	73
Payroll reimbursements	-	109
Other	436	1,043
Total other income	4,505	7,167

*Please note that there was a reclassification of income in 2020. The figures for 2019 have not been adjusted.

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

	2020	2019
	\$'000	\$'000
Wages and salaries	78,283	65,493
Casual staff	377	375
WorkCover	2,408	2,010
Superannuation	7,058	6,685
Fringe benefits tax	204	65
Annual leave and long service leave	-	7,276
Redundancy costs	375	-
Other	902	2,248
Total employee costs	89,608	84,151

*Please note that there was a reclassification of expenditure in 2020. The figures for 2019 have not been adjusted.

(b) Superannuation

Council made contributions to the following funds:

	2020	2019
	\$'000	\$'000
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	668	614
	668	614
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,479	3,527
Employer contributions - other funds	2,912	2,531
	6,391	6,058
Employer contributions payable at reporting date.	498	566

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

4.2 Materials and services

	2020	2019
	\$'000	\$'000
Cleaning contract	1,540	-
General maintenance	13,037	31,466
Utilities	4,322	4,512
Waste fees	12,647	-
Leisure management fees	1,354	-
Property leases and rentals	175	237
Minor equipment and supplies	1,055	1,045
Office administration	2,347	6,676
Information technology and telecommunications	3,948	-
Insurance	1,538	1,506
Consultants and Contractors	12,845	14,923
Fire Services Property Levy	-	220
Council grants and sponsorships	-	1,918
Other materials and supplies	4,380	5,590
Total materials and services	59,186	68,094

*Please note that there was a reclassification of expenditure in 2020. The figures for 2019 have not been adjusted.

4.3 Depreciation

	2020	2019
	\$'000	\$'000
Property	5,417	5,034
Plant and equipment	3,292	3,546
Infrastructure	16,969	16,686
Total depreciation	25,678	25,266

Refer to note 6.1 for a more detailed breakdown of depreciation charges.

4.4 Amortisation - right of use assets

	2020	2019
	\$'000	\$'000
Rights of use of Animal Shelter	236	236
Total amortisation - right of use assets	236	236

4.5 Bad and doubtful debts

	2020	2019
	\$'000	\$'000
Parking fine debtors	3,490	2,658
Other debtors	467	707
Total bad and doubtful debts	3,957	3,365

Movement in provisions for doubtful debts

Balance at the beginning of the year	3,276	2,586
New provisions recognised during the year	463	707
Amounts already provided for and written off as uncollectible	5	17
Amounts provided for but recovered during the year	(4)	(34)
Balance at end of year	3,740	3,276

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

4.6 Borrowing costs

	2020	2019
	\$'000	\$'000
Interest - Borrowings	1,090	1,404
Total borrowing costs	1,090	1,404

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.

4.7 Other expenses

	2020	2019
	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	71	107
Auditors' remuneration - Internal	232	102
Councillors' allowances	8	20
Training, conferences and seminars	656	-
Council grants and contributions	2,194	-
Special charge scheme payments	540	-
Others	508	-
Total other expenses	4,209	229

*Please note that there was a reclassification of expenditure in 2020. The figures for 2019 have not been adjusted.

Note 5 Our financial position

5.1 Financial assets

	2020	2019
	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	6	6
Cash at bank	14,035	14,551
Term deposits <90 days	43,500	15,500
Total cash and cash equivalents	57,541	30,057
(b) Other financial assets		
Term deposits - current >90 days	41,500	69,000
Total other financial assets	41,500	69,000
Total financial assets	99,041	99,057

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

- Trust funds and deposits (Note 5.3)	5,812	7,077
Total restricted funds	5,812	7,077
Total unrestricted cash and cash equivalents	51,729	22,980

Intended allocations

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

- restricted reserves (Note 9.1)	21,096	22,178
Total funds subject to intended allocations	21,096	22,178

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

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

Notes to the Financial Report For the Year Ended 30 June 2020

(c) Trade and other receivables	2020	2019
	\$'000	\$'000
Current		
Rates debtors	15,167	11,657
Parking Infringement debtors	13,856	11,224
Provision for doubtful debts - parking infringements	(10,649)	(7,159)
Other debtors	6,477	6,434
Provision for doubtful debts - other debtors	(3,740)	(3,276)
Fire Services Property Levy debtors	1,493	5,211
Net GST receivable	2,302	2,531
Total current trade and other receivables	24,906	26,621
Non-current	-	-
Total trade and other receivables	24,906	26,621

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

(d) Ageing of Receivables

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

Current (not yet due)	1,621	1,870
Past due by up to 30 days	464	535
Past due between 31 and 180 days	120	138
Past due between 181 and 365 days	10	12
Past due by more than 1 year	522	603
Total trade and other receivables	2,737	3,158

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$3,739,580 (2019: \$3,276,479) were impaired. The amount of the provision raised against these debtors was \$3,739,580 (2019: \$3,276,479). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collection agency.

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

Current (not yet due)	26	23
Past due by up to 30 days	91	80
Past due between 31 and 180 days	690	605
Past due between 181 and 365 days	807	707
Past due by more than 1 year	2,126	1,862
Total trade & other receivables	3,740	3,277

Rates Debtors

Council adopted the COVID-19 Financial Hardship Policy on March 25 2020 which sought to provide relief for the ratepayers financially affected by the COVID-19 pandemic. The Policy allowed for the deferral of rates instalments and a hold on interest accumulated until 30 June 2021. 785 ratepayers have applied for COVID extensions, 369 have applied for deferrals and 44 have taken up payment arrangements.

Council will continue to closely monitor rate payments during the coming months with a view to encourage rate payers to take on payment arrangements so that they are not impacted by a larger outstanding debt at 30 June 2021. As Council's primary source of operating revenue, the effects on cashflow will also be closely monitored as instalments become due.

Notes to the Financial Report For the Year Ended 30 June 2020

5.2	Non-financial assets	2020	2019
	(a) Inventories	\$'000	\$'000
	Inventories held for distribution	295	350
	Total inventories	295	350

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	2020	2019
	Current	\$'000	\$'000
	Prepayments	1,696	568
	Accrued income	170	592
	Other	271	36
	Total other assets	2,137	1,196

5.3	Payables	2020	2019
	(a) Trade and other payables	\$'000	\$'000
	Trade payables	8,107	14,481
	Net GST payable	-	-
	Accrued expenses	9,469	9,949
	Total trade and other payables	17,576	24,430

	(b) Trust funds and deposits		
	Refundable deposits	980	922
	Trust funds	676	663
	Retention amounts	631	615
	Fire Services Levy	3,067	4,131
	Other refundable deposits	457	747
	Total trust funds and deposits	5,812	7,077

	(c) Unearned income		
	Grants received in advance - operating	1,120	-
	Grants received in advance - capital	1,598	-
	Total unearned income	2,718	-

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

Purpose and nature of items

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

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

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

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

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

5.4 Interest-bearing liabilities		
	2020	2019
	\$'000	\$'000
Current		
Borrowings - secured	1,230	9,105
	1,230	9,105
Non-current		
Borrowings - secured	24,971	26,217
	24,971	26,217
Total	26,201	35,322
Borrowings are secured by Council's general rate income.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	1,230	9,105
Later than one year and not later than five years	10,281	10,647
Later than five years	14,690	15,570
	26,201	35,322

The decrease in current borrowings is due to the maturity of an \$8 million Local Government Funding vehicle in November 2019.

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

5.5 Provisions		
	Employee	Provisions
	\$ '000	
2020		
Balance at beginning of the financial year	20,870	
Additional provisions	8,703	
Amounts used	(7,089)	
Change in the discounted amount arising because of time and the effect of any change in the discount rate	113	
Balance at the end of the financial year	22,597	
2019		
Balance at beginning of the financial year	20,928	
Additional provisions	7,601	
Amounts used	(8,010)	
Change in the discounted amount arising because of time and the effect of any change in the discount rate	351	
Balance at the end of the financial year	20,870	

(a) Employee provisions	2020	2019
	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	6,285	5,632
Long service leave	2,011	2,230
	8,295	7,862
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,407	1,086
Long service leave	11,035	10,116
Other	43	41
	12,484	11,243
Total current employee provisions	20,779	19,104
Non-current		
Long service leave	1,817	1,765
Total non-current employee provisions	1,817	1,765
Aggregate carrying amount of employee provisions:		
Current	20,779	19,104
Non-current	1,817	1,765
Total aggregate carrying amount of employee provisions	22,597	20,870

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

Wages and salaries and annual leave

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

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

Long service leave

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

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.

Key assumptions:	2020	2019
- discount rate	0.9%	1.3%
- index rate	4.3%	4.3%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2020	2020	2019
	\$'000	\$'000
Bank overdraft	4,000	4,000
Credit card facilities	750	800
Total facilities	4,750	4,800
Used facilities	113	83
Unused facilities	4,637	4,717

5.7 Commitments

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

2020	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	-	-	-	-	-
Leisure Centres	-	-	-	-	-
IT Systems Supports	547	432	-	-	979
Records	85	-	-	-	85
Consultancies	-	-	-	-	-
HR	8	-	-	-	8
Environmental Operations	-	-	-	-	-
Animal Welfare	39	39	-	-	78
Building Management	60	-	-	-	60
Total	739	471	-	-	1,210
Capital					
Consultancies	460	-	-	-	460
Fleet	5,358	-	-	-	5,358
Works	27,035	8,201	-	-	35,236
Total	32,853	8,201	-	-	41,054
2019					
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	447	-	-	-	447
Leisure Centres	1,029	866	-	-	1,895
IT Systems Supports	787	697	-	-	1,484
Consultancies	8	8	-	-	16
Environmental Operations	443	-	-	-	443
Animal Welfare	39	79	210	-	328
Building Management	60	60	-	-	120
Total	2,813	1,710	210	-	4,733
Capital					
Consultancies	1,067	460	-	-	1,527
Works	5,774	1,170	-	-	6,944
Total	6,841	1,630	-	-	8,471

* Leisure centre contract is currently under renegotiation due to the COVID-19 pandemic

** The Waste collection contract was incorrectly included in 2018/19

Commitments - operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office space and/or retail complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 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:	2020 \$'000	2019 \$'000
Not later than 1 year*	1,697	1,552
Later than 1 year and not later than 5 years	7,332	5,834
Later than 5 years	12,273	15,101
	21,302	22,487

*COVID-19 rent relief has been factored into this calculation.

5.8

Leases

Policy applicable before 1 July 2019

As a lessee, Council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

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

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

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

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

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

Right-of-Use Assets

	Animal Shelter \$'000
Balance at 1 July 2019	1,653
Additions	-
Amortisation charge	(236)
Balance at 30 June 2020	1,417

Short-term and low value leases

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

Expenses relating to:	2020
	\$'000
Short-term leases	87
Leases of low value assets	-
Total	87
Variable lease payments (not included in measurement of lease)	-

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:	
Within one year	43
Later than one year but not later than five years	-
Total lease commitments	43

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Notes to the Financial Report For the Year Ended 30 June 2020

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019								At Fair Value 30 June 2020
	\$'000	Additions \$'000	Contributions \$'000	Found Assets \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	\$'000
Land	1,300,718	12,597	-		7,190	-	-	-	1,320,505
Buildings	208,842	6,121			14,296	(5,417)	(268)	1,954	225,528
Plant and equipment	13,590	4,215	-		-	(3,292)	(52)	-	14,461
Infrastructure	484,416	21,538	468	502	192,919	(16,969)	(5,324)	1,954	675,598
Work in progress	8,213	54,617	-		-	-	(3,576)	(44,535)	14,719
	2,015,780	99,088	468	502	214,404	(25,678)	(9,220)	(44,534)	2,250,811

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	3,192	19,259	(184)	(17,568)	4,698
Plant and equipment	270	4,430	(525)	(4,112)	63
Infrastructure	4,752	30,928	(2,867)	(22,854)	9,958
Total	8,213	54,617	(3,576)	(44,535)	14,719

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land under roads \$'000	Total Land & Land Improvement \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Building improvements \$'000	Leasehold improvements \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2019	1,018,445	278,290	3,983	1,300,718	325,186	-	-	-	325,186	3,192	1,629,096
Accumulated depreciation at 1 July 2019	-	-	-	-	(116,344)	-	-	-	(116,344)	-	(116,344)
	1,018,445	278,290	3,983	1,300,718	208,842	-	-	-	208,842	3,192	1,512,752
Movements in fair value											
Additions	57	12,539	-	12,597	6,121	-	-	-	6,121	19,259	37,977
Contributions	-	-	-	-	-	-	-	-	-	-	-
Revaluation	6,839	637	(286)	7,190	21,704	-	-	-	21,704	-	28,893
Disposal	-	-	-	-	(624)	-	-	-	(624)	-	(624)
Write-off	-	-	-	-	-	-	-	-	-	(184)	(184)
Transfers	-	-	-	-	2,010	-	-	-	2,010	(17,568)	(15,558)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	6,896	13,177	(286)	19,787	29,211	-	-	-	29,211	1,506	50,504
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	-	-	(5,417)	-	-	-	(5,417)	-	(5,417)
Accumulated depreciation Revaluation	-	-	-	-	(7,408)	-	-	-	(7,408)	-	(7,408)
Accumulated depreciation of disposals	-	-	-	-	357	-	-	-	357	-	357
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(56)	-	-	-	(56)	-	(56)
	-	-	-	-	(12,525)	-	-	-	(12,525)	-	(12,525)
At fair value 30 June 2020	1,025,341	291,467	3,697	1,320,505	354,397	-	-	-	354,397	4,698	1,679,600
Accumulated depreciation at 30 June 2020	-	-	-	-	(128,869)	-	-	-	(128,869)	-	(128,869)
	1,025,341	291,467	3,697	1,320,505	225,528	-	-	-	225,528	4,698	1,550,730

(b) Plant and Equipment

	Motor vehicles	Plant and equipment	Furniture and fittings	Computer equipment	Library books	Artwork	Total Plant and equipment \$'000	Work In Progress	Total plant and equipment \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	17,297	4,805	2,534	3,481	9,256	838	38,211	270	38,481
Accumulated depreciation at 1 July 2019	(11,959)	(3,535)	(1,896)	(2,853)	(4,378)	-	(24,621)	-	(24,621)
	5,338	1,270	638	628	4,878	838	13,590	270	13,860
Movements in fair value									
Additions	1,768	741	430	268	992	17	4,215	4,430	8,645
Contributions	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Disposal	(980)	(2,003)	-	-	-	-	(2,984)	-	(2,984)
Write-off	-	-	-	-	-	-	-	(525)	(525)
Transfers	-	-	-	-	-	-	-	(4,112)	(4,112)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
	788	(1,263)	430	268	992	17	1,231	(207)	1,024
Movements in accumulated depreciation									
Depreciation and amortisation	(1,487)	(275)	(117)	(463)	(950)	-	(3,292)	-	(3,292)
Accumulated depreciation of disposals	969	1,963	-	-	-	-	2,932	-	2,932
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(518)	1,688	(117)	(463)	(950)	-	(360)	-	(360)
At fair value 30 June 2020	18,085	3,542	2,964	3,749	10,248	855	39,442	63	39,505
Accumulated depreciation at 30 June 2020	(12,477)	(1,847)	(2,013)	(3,316)	(5,328)	-	(24,981)	-	(24,981)
	5,608	1,695	952	432	4,920	855	14,461	63	14,524

(c) Infrastructure

	Road surface	Road pavement	Drainage	Footpaths	Kerb and channel	Bridges/ retaining walls	Other infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	78,464	287,651	158,079	108,489	87,356	24,178	125,081	4,752	874,049
Accumulated depreciation at 1 July 2019	(21,970)	(136,755)	(58,657)	(57,400)	(46,783)	(7,485)	(55,830)	-	(384,881)
	56,493	150,896	99,422	51,089	40,573	16,693	69,250	4,752	489,168
Movements in fair value									
Additions	3,784	3,650	3,831	4,471	1,476	46	4,280	30,928	52,466
Contributions	-	6	461	-	2	-	-	-	468
Revaluation	(1,047)	58,207	71,945	13,560	9,904	5,795	4,440	-	162,804
Disposal	(2,269)	(1,932)	(161)	(2,417)	(860)	(129)	(3,024)	-	(10,791)
Write-off	-	-	-	-	-	-	-	(2,867)	(2,867)
Transfers	8,202	-	(34)	5,537	104	(11)	(15,807)	(22,854)	(24,864)
Found Assets	-	-	27	646	-	-	-	-	673
	8,670	59,931	76,069	21,797	10,625	5,701	(10,111)	5,207	177,890
Movements in accumulated depreciation									
Depreciation and amortisation	(2,571)	(2,773)	(1,652)	(3,110)	(1,322)	(424)	(5,117)	-	(16,969)
Accumulated depreciation Revaluation	69	6,255	(30,650)	26,883	30,653	(5,590)	2,495	-	30,115
Accumulated depreciation of disposals	731	1,376	68	1,874	580	44	793	-	5,467
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Accumulated depreciation on found Assets	-	-	(1)	(169)	-	-	-	-	(170)
Accumulated depreciation Transfers	(2,383)	-	-	(2,213)	(63)	-	4,715	-	55
	(4,155)	4,858	(32,234)	23,264	29,848	(5,970)	2,886	-	18,498
At fair value 30 June 2020	87,134	347,582	234,148	130,286	97,981	29,879	114,970	9,959	1,051,939
Accumulated depreciation at 30 June 2020	(26,125)	(131,897)	(90,891)	(34,136)	(16,935)	(13,455)	(52,944)	-	(366,382)
	61,010	215,685	143,257	96,150	81,047	16,424	62,025	9,958	685,557

Notes to the Financial Report For the Year Ended 30 June 2020

Acquisition

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

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

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

	Depreciation Period	Threshold Limit
Asset recognition thresholds and depreciation periods	\$'000	
Land & land improvements		
land	N/A	No limit
land improvements	N/A	No limit
Buildings		
buildings	5-260 years	1
building and leasehold improvements	N/A	1
Plant and Equipment		
plant, machinery and equipment	3-10 years	1
furniture and fittings	3-10 years	1
computer equipment	3-10 years	1
library books	3-10 years	1
motor vehicles	5-10 years	3
artworks	not applicable	1
Infrastructure		
roads surface	Up to 30 years	1
	Up to 100 years	1
roads pavement		
	Up to 100 years	1
drainage		
	Up to 80 years	1
footpaths		
	Up to 75 years	1
kerb and channel		
	Up to 200 years	1
bridges		
Other infrastructure		
Street furniture	10 to 20 years	1
Recreational, leisure and community facilities	10 to 50 years	1
Parks, open space and streetscapes	10 to 25 years	1
Playground equipment and other structures	10 to 50 years	1

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Liam McNamara (Qualified CPV valuer) from Opteon Property Group. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

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.

The date of the current valuation is 1 March 2020. Opteon Property Group have advised Council that due to COVID-19, market conditions are changing, and as at 30 June 2020 there was significant uncertainty. Opteon Property Group have advised Council that it is too early to full quantify the extent of the impact on the economy and real estate market.

Refer to note 8.4 for further details.

	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land	-	291,467	-	Mar-20
Specialised land	-	-	1,025,342	Mar-20
Buildings	-	-	225,527	Mar-20
Total	-	291,467	1,250,869	

Valuation of infrastructure

Valuation of infrastructure assets has been carried out in two parts -

- i. Revaluation of the replacement cost of the assets (undertaken by Council's Asset Management Unit)
 - ii. Assessment in the field of the condition of significant assets and hence their remaining useful life. This was done by expert consultants
- Roads infrastructure undertaken by Infrastructure Management Group - Director Mike Wilken, (details can be found at <http://www.imgpl.com.au/>)
 - Open space infrastructure undertaken by Rapid Map (<https://rapidmap.com.au/>)
 - Bridges undertaken by Land Management Surveys (<https://lmsmelb.weebly.com/>)

The replacement cost revaluation was conducted in the current year, this valuation was based on either

- a. Moreland City Council construction costs of assets within that category, or
 - b. Construction cost indices from the Australian Bureau of Statistics (if appropriate construction costs were not available)
- For Open Space assets, typical industry costs provided by Rapid Map were used.

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 and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of
Roads	-	-	276,695	Jun-20
Kerbs			81,046	Jun-20
Bridges	-	-	16,424	Jun-20
Footpaths and cycleways	-	-	96,151	Jun-20
Drainage	-	-	143,257	Jun-20
Recreational, leisure and community facilities	-	-	21,522	Jul-19
Parks, open space and streetscapes	-	-	31,436	Jul-19
Other infrastructure	-	-	9,067	Jul-19
Total	-	-	675,598	

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.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$2 and \$11,700 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$190 to \$32,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 2 years to 100 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.

Reconciliation of specialised land

	2020 \$'000	2019 \$'000
Land under roads	3,697	3,983
Parks and reserves	1,025,342	1,018,445
Total specialised land	1,029,038	1,022,428

Notes to the Financial Report
For the Year Ended 30 June 2020

6.2	Investments in associates, joint arrangements and subsidiaries	2020	2019
		\$'000	\$'000
	(a) Unlisted shares		
	Shares in MAPS Group Ltd	2	2
		<u>2</u>	<u>2</u>
6.3	Investment property	2020	2019
		\$'000	\$'000
	Balance at beginning of financial year	26,695	32,652
	Additions	189	-
	Disposals	-	-
	Fair value adjustments	(884)	(5,957)
	Balance at end of financial year	<u>26,000</u>	<u>26,695</u>

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

Valuation of investment property

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

The date of the current valuation is 1 March 2020. Opteon Property Group have advised Council that due to COVID-19, market conditions are changing, and as at 30 June 2020 there was significant uncertainty. Opteon Property Group have advised Council that it is too early to full quantify the extent of the impact on the economy and real estate market.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Moreland City Council is the parent entity.

(b) Key Management Personnel

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

Councillors

Councillor Natalie Abboud (Mayor from 1/7/19 to 28/10/19)
 Councillor Mark Riley (Deputy Mayor from 1/7/19 - 28/10/19)
 Mayor Lambros Tapinos (from 28/10/19 to current)
 Deputy Mayor Oscar Yildiz JP (from 28/10/19 to current)
 Councillor John Kavanagh
 Councillor Dale Martin
 Councillor Annalivia Carli Hannan
 Councillor Jess Dorney
 Councillor Sue Bolton
 Councillor Ali Infanli
 Councillor Helen Davidson
 Chief Executive Officer Dr Nerina Di Lorenzo (from 1/7/19 to 23/7/19)
 Chief Executive Officer Cathy Henderson (from 9/12/19 to current)
 Chief Executive Officer (acting) Grant Thorne (from 30/7/19 to 9/12/19)
 Director City Futures Kirsten Coster
 Director Engagement and Partnerships Joseph Tabacco
 Director Community Development Arden Joseph
 Director City Infrastructure Grant Thorne
 Director City Infrastructure (acting) Greg Gale (from 30/7/19 to 9/12/19)
 Director Business Transformation Sue Vujcevic
 Executive Manager Finance Elizabeth Rowland

	2020 No.	2019 No.
Total Number of Councillors	11	11
Total of Chief Executive Officer and other Key Management Personnel	10	10
Total Number of Key Management Personnel	21	21

(c) Remuneration of Key Management Personnel

	2020 \$	2019 \$
Total remuneration of key management personnel was as follows:		
Short-term benefits	2,508	2,519
Long-term benefits	46	50
Post employment benefits	220	202
Termination benefits	-	-
Total	2,774	2,771

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

	2020 No.	2019 No.
\$30,000 - \$39,999	9	9
\$40,000 - \$69,999	2	1
\$70,000 - \$79,999		1
\$80,000 - \$119,999	1	
\$120,000 - \$129,999	-	1
\$130,000 - \$219,999	1	
\$220,000 - \$229,999	2	1
\$230,000 - \$239,999		1
\$240,000 - \$249,999	2	2
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999		2
\$270,000 - \$279,999	2	
\$280,000 - \$289,999		1
\$290,000 - \$339,999	1	
\$340,000 - \$349,999		1
	21	21

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$151,000

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

	2020 No.	2019 No.
Income Range:		
\$150,000 - \$159,999	9	7
\$160,000 - \$169,999	7	4
\$170,000 - \$179,999	4	3
\$180,000 - \$189,999	5	2
\$190,000 - \$199,999	2	2
\$200,000 - \$209,999	3	3
\$210,000 - \$219,999	1	2
\$220,000 - \$229,999	-	1
	31	24

Total Remuneration for the reporting year for Senior Officers included above, amounted	5,396,529	4,254,963
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7.2

Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:

(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:

	2020 \$'000	2019 \$'000
	0	0
	0	0
	0	0
	0	0

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 8 Managing uncertainties
8.1 Contingent assets and liabilities

As at 30 June 2020 there were no Contingent Assets identified by Council.

(b) Contingent liabilities

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

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. It is uncertain at this point in time the effect of the COVID-19 pandemic may have on the scheme.

Insurance claims

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

Legal matters

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

Liability Mutual Insurance

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

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

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

2020	2019
\$'000	\$'000
-	-

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 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.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Our loans and borrowings are sourced from major Australian banks by a tender process or issuing of bonds by the Local Government Funding Vehicle. Overdrafts are with major Australian banks.

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

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

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result. Cuts to global interest rates during the past year, including those directly related to the COVID-19 pandemic in March 2019 did see a decrease in returns.

(c) Credit risk

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 8.1(b).

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of 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 8.1c) and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.50% and -1.85% in market interest rates (AUD) from year-end rates of 0.65%.

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

Notes to the Financial Report

For the Year Ended 30 June 2020

8.4 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. 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

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 of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Impairment of assets

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

Effect of COVID-19 on asset valuations

The date of the current valuation for land and buildings is 1 March 2020. Opteon Property Group have advised Council that due to COVID-19, market conditions are changing, and as at 30 June 2020 there was significant uncertainty. Opteon Property Group have advised Council that it is too early to full quantify the extent of the impact on the economy and real estate market. Council also determined that there was no further impairment to assets at this time.

8.5 Events occurring after balance date

Since 30 June 2020, Stage 4 restrictions applied in Metropolitan Melbourne and Stage 3 across the rest of Victoria from 2 August 2020. The impact of these restrictions has resulted in a curfew being put in place between 8pm and 5 am, a 5 kilometre radius travel restriction and further restrictions on the definition of essential workers and their ability to work onsite.

Council's adopted 2020/21 budget included \$6.24 million in COVID relief initiatives, including the provision of Community, Business and Arts grants to those affected by the pandemic. Other provisions included closure of Council's leisure centres, freeze of statutory fees and fines, waiver of various registration and venue hire fees and the extension of the COVID-19 Hardship policy to the end of June 2021.

With the onset of Stage 4 restrictions and the uncertain environment Council is operating in, further impacts that have been flagged include (at the time of drafting these Statements):

- Further loss of income for leisure centres due to extended closures
- Further loss of income for associated parking revenue
- Further costs for maintaining Wage guarantee for staff until the end of October
- COVID related costs for protective personal equipment
- Further waiver of sporting ground fees and other hire income
- Leasing and licencing income has been impacted as a result of COVID-19. Due to ongoing financial hardship being experienced by Council's tenants and licensees, some rent waivers and temporary reductions will continue to be provided to eligible applicants
- Closure of all libraries and community venues resulting in further loss of income
- Delays to planned construction/capital works because of DHHS Directions
- Delays to all community engagement and project delivery because of DHHS Directions
- Modifications to the delivery of essential community services such as Maternal and Child Health, Immunisation and Aged Care services

Also of concern is the level of outstanding rate assessments as at 30 June 2020 which have increased from 9% of total assessments to 16%. As Rate income represents the primary source of funding for Council operations, monitoring this cash flow will be of prime importance during the coming year as the community continues to suffer the financial effects of recession brought on by the global pandemic.

Despite these impacts, Council remains in a strong financial position and does not foresee any issues for the entity to continue as a going concern.

Note 9

		Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
		\$'000	\$'000	\$'000
9.1 Reserves (a) Asset revaluation reserves	2020			
	Property			
	Land and land improvements	983,214	7,190	990,403
	Buildings	78,844	14,296	93,140
		1,062,058	21,486	1,083,544
	Infrastructure			
	Road surface	62,783	(978)	61,805
	Road pavement	96,429	64,461	160,890
	Bridges	12,224	204	12,428
	Footpaths	30,470	40,442	70,912
	Drainage	53,771	41,295	95,066
	Kerb and channel	27,746	40,558	68,304
	Other structures	52,274	6,936	59,210
		335,697	192,919	528,616
	Total asset revaluation reserves	1,397,755	214,404	1,612,160
	2019			
	Property			
	Land and land improvements	1,086,048	(102,834)	983,214
	Buildings	78,844	-	78,844
		1,164,892	(102,834)	1,062,058
	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	1,500,589	(102,834)	1,397,755	

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2020				
Public resort and recreation land fund (restricted)	20,322	11,960	(13,842)	18,440
Housing Strategy	740	95	(82)	753
Leisure centre development reserve	3,126	500	(495)	3,132
Moreland Defined Benefit reserve	8,422	2,657	-	11,079
Significant Projects reserve	10,415	7,756	(1,206)	16,965
Bridge works reserve	1,900	500	(1,671)	729
Oak Park SAC redevelopment	34	-	(34)	0
Local Government Funding Vehicle	3,492	1,405	(4,897)	-
Developer Contribution Plan reserve (restricted)	1,856	1,465	(665)	2,656
Carry Forward Reserve	-	8,567	-	8,567
Total Other reserves	50,306	34,905	(22,892)	62,321
2019				
Public resort and recreation land fund (restricted)	49,734	12,183	(41,595)	20,322
Housing Strategy	820	50	(131)	739
Moonee Ponds Creek development	59	-	(59)	-
Leisure centre development reserve	3,390	341	(605)	3,126
Moreland Defined Benefit reserve	6,007	2,415	-	8,422
Significant Projects reserve	1,327	9,188	(101)	10,414
Bridge works reserve	1,400	500	-	1,900
Oak Park SAC redevelopment	2,469	2,504	(4,939)	34
Wheatsheaf Rd Precinct	702	-	(702)	-
Saxon St Precinct	643	-	(643)	-
PVCC on Rogers reserve	(506)	506	-	-
Local Government Funding Vehicle	2,087	1,405	-	3,492
Developer Contribution Plan reserve (restricted)	1,098	1,337	(579)	1,856
Total Other reserves	69,230	30,429	(49,354)	50,305

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.

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

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

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

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

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

The Wheatsheaf Road Precinct Reserve accumulates funds to be used in the development of the former primary school in Wheatsheaf Road. This reserve was consolidated into the Significant Projects Reserve in 2019/20.

The Saxon Street precinct reserves accumulates funds to be used to redevelop the former school site located at Saxon Street in Brunswick. This reserve was consolidated into the Significant Projects Reserve in 2019/20.

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

Notes to the Financial Report For the Year Ended 30 June 2020

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2020 \$'000	2019 \$'000
Surplus/(deficit) for the year	31,142	23,874
Depreciation	25,678	25,503
Profit/(loss) on disposal of property, infrastructure, plant and equipment	5,303	4,875
Impairment losses	-	
Fair value adjustments for investment property	884	5,957
Contributions - Non-monetary assets	(468)	(618)
Finance costs	1,090	1,404
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,715	(6,829)
(Increase)/decrease in prepayments	(705)	479
Increase/(decrease) in accrued income	2,718	(123)
Increase/(decrease) in trade and other payables	(6,854)	11,567
(Decrease)/increase in other liabilities	-	-
(Increase)/decrease in inventories	55	(107)
Increase/(decrease) in provisions	1,728	(59)
Increase/(decrease) in trust funds	(1,265)	3,562
Net cash provided by/(used in) operating activities	61,020	69,484

9.3

Superannuation

Please note that the following commentary reflect the most recent advice Council has received regarding Defined Benefits Superannuation from the Superannuation body and at the time of drafting these Statements any changes to potential funding calls due to the COVID-19 pandemic is unknown.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined Benefit

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

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

Funding arrangements

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Moreland City Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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 2017 full actuarial investigation conducted by the Fund Actuary, Moreland City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Moreland City Council) are required to make an employer contribution to cover the shortfall.

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.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Moreland City Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

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 2019.

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

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

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.50 % pa	3.5% pa
	for the first two years	
	and	
	2.75% pa thereafter	
Price inflation	2.0% pa	2.5% pa

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020	2019
			\$,000	\$,000
Vision super	Defined benefit	9.50%	668	614
Vision super	Accumulation fund	9.50%	3,479	3,527
Other Funds	Accumulation fund	9.50%	2,912	2,531

Notes to the Financial Report

For the Year Ended 30 June 2020

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Change in accounting policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures.

When finalising the year end accounts for 2019/20, Council conducted an assessment for items which may be affected to the change in this accounting standard. Council determined that the provision of the outsourced Waste Collection service would warrant a change in treatment, however, have elected to apply the provision for new agreements as of 1 July 2019 and not recognise these right of use assets at this time.

The operating lease disclosed in note 5.8 is for the use of multi-device printer/ photocopiers and expires in December 2020. Council has determined this is a short term and low value lease and as such does not require reporting through the Balance Sheet.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

d) Transition impacts

There have been no impacts to retained earnings as at 1 July 2019 due to changes in the above standards.

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.