

PERFORMANCE STATEMENT

For the year ended 30 June 2022

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 2021, our estimated resident population was, 184,707 (ERP June 2021, March release by Local Government Victoria). The actual population of Moreland according to the 2021 Census was 171,357, as mentioned earlier in this report. We used the first number as the audited measure for our performance statements, as directed by Local Government Victoria.

COVID-19 has had, and will continue to have, an impact on our population and its growth. Our forecasts now suggest that our population will increase to a total population of 235,184 by 2036. This is 10,015 fewer residents than we previously forecast we would have by 2036. The previous forecast was made before COVID-19.

Moreland is a highly culturally and linguistically diverse municipality. In 2021, 37% of Moreland residents were born overseas. At home, residents are most likely to speak Italian, Arabic, Greek or Urdu if not speaking English. In total, 39% of households in our community speak a language other than English at home.

For many years, Moreland's businesses were largely industrial and were the municipality's largest employers. Today, we have more than 20,000 businesses employing 46,700 people. Household service sectors (particularly health, education and retail) are our largest employers.

COVID-19 impact

Where the COVID-19 pandemic affected Council services in 2021-22, they are noted in the comments section in the following Performance Statement.

Sustainable Capacity Indicators

		Results				
	Indicator / Measure [Formula]	2019	2020	2021	2022	Comments
	Population					
C1	Expenses per head of municipal population [Total expenses / Municipal population]	\$1,065.22	\$1,023.60	\$1,107.12	\$1,084.83	An expenditure decrease of \$8.6 million in 2021-22 resulted in the variance decrease reflected. 2020-21 expenditure included the Working for Victoria program funding, which ended in the previous financial year. The expenditure levels have returned to business as usual in the 2021-22 years. 2021-22 was a revaluation year for several high value asset classes, resulting in a large increase to the valuation of assets within the municipality, resulting in an increase to the 2021-22 figure. The result achieved have remained in a consistent range.
C2	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$3,934.86	\$5,006.38	\$5,046.30	\$5,858.10	
C3	Population density per length of road [Municipal population / Kilometres of local roads]	288.91	295.34	299.62	293.19	
	Own-source revenue					
C4	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$983.31	\$986.20	\$985.51	\$1,084.21	The result was as a result of increases to statutory and user fees in 2021-22.
	Recurrent grants					
C5	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$104.36	\$99.33	\$100.64	\$112.40	The result achieved has increased slightly, which reflects the number of ongoing grants received in comparison to the municipal population.
	Disadvantage					
C6	Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	There has been no change to relative socio-economic disadvantage over the past 4 years.
	Workforce turnover					
C7	Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.1%	9.0%	14.7%	16.5%	2021/22 has seen a slight increase in staff turnover due to a range of factors, including competition in a tightening labour market and in response to Covid-19 impacts, which has seen employees continue to review their employment circumstances.

Service Performance Indicators

Service		Results				Comments
	Indicator / Measure [Formula]	2019	2020	2021	2022	
	Aquatic Facilities					
	Utilisation					
AF6	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	6.18	4.49	2.31	3.55	Ongoing impacts of the Covid-19 pandemic saw multiple closures and continued capacity restrictions for the year's first two quarters. Once restrictions had been lifted Council had an improved summer season at all facilities and has seen an increase in participation since the last financial year.
	Animal Management					
	Health and safety					
AM7	Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	100%	100%	100%	All matters taken to court were successfully prosecuted.
	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	100.00%	100.00%	95.05%	100.00%	All non-compliances identified through assessments and inspections of food premises have been followed up to ensure compliance with relevant standards has been achieved.
	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	56	58	53	The 2022 score has declined from the previous year, however over the long-term scores for this indicator have fluctuated.
	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	13.85%	13.65%	12.01%	10.89%	This year was again disrupted by lockdowns and restrictions on entry for our libraries when they were open. Following full re-opening of the libraries in March 2022, community confidence to visit libraries is slowly increasing.
	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	71.41%	72.27%	69.79%	71.95%	Engagement has slightly increased this year.
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	77.78%	71.43%	68.86%	71.52%	A slight increase this year. Engagement in MCH demonstrates the value of the service to families.
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]	57	57	60	57	The score in 2021/22 is a reduction on previous year and a return to 2018/19 and 2019/20 levels.
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	47.14%	67.57%	75.00%	56.67%	In 2021/22 the number of appeals to VCAT was almost double that of 2020/21, with 57% of decisions not set aside. A number of these appeals related to complex and controversial applications. In the majority of cases, negotiation at VCAT led to improved outcomes even when Council's decision was set aside.
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	43.65%	48.48%	49.39%	48.34%	Overall, we have seen a reduction in Kerbside recycling and organics collection likely due to easing of lockdown-related increases experienced in 2020/21. The reduction in diversion streams is not at the expense of waste to landfill - a 230-tonne reduction in garbage was also achieved. The number of properties connected to the council's food and garden organics service has grown to approximately 75%.

Financial Performance Indicators

Dimension		Results					Forecasts			Material Variations and Comments
	Indicator / Measure	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency										
Expenditure level										
E2	Expenses per property assessment [Total expenses / Number of property assessments]	\$2,390.96	\$2,304.75	\$2,504.57	\$2,376.93	\$2,379.34	\$2,387.57	\$2,408.60	\$2,490.48	An expenditure decrease of \$8.6 million in 2021-22 resulted in the variance decrease reflected. 2020-21 expenditure included the Working for Victoria program funding, which ended in the previous financial year. The expenditure levels have returned to business as usual in the 2021-22 years.
Revenue level										
E4	Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	\$1,713.62	\$1,743.48	\$1,775.81	\$1,782.09	\$1,819.88	\$1,843.49	\$1,832.17	The result achieved has remained consistent. Council has increased the rate base by the rate cap that is set by the State Government.
Liquidity										
Working capital										
L1	Current assets compared to current liabilities [Current assets / Current liabilities] x100	213.05%	262.66%	241.44%	361.94%	272.28%	260.81%	229.11%	293.60%	This has increased from previous financial year results. This is as a result of an increase in current assets such as trade receivables, and a decrease in interest loans and borrowings, due to the early repayment of a \$8.0 million loan. The level of working capital (current assets divided by current liabilities) is forecasted to remain at an acceptable level.
Unrestricted cash										
L2	Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	112.36%	119.59%	96.17%	39.22%	95.15%	77.70%	58.72%	61.24%	This indicator has decreased in the current year as Council has invested a greater amount of term deposits over 90 days (which is considered restricted assets). The indicator looks at

										<p>unrestricted cash (cash in the bank and in less than 90 day investments). Overall cash levels (both restricted & unrestricted) have remained the same, however the split between unrestricted (less than 90 days) and restricted (greater than 90 days) has shifted to gain the best investment opportunities.</p> <p>The forecasted figures for 2023 – 2026 is anticipated that Council will return to investing in a greater volume of short-term term deposits (unrestricted cash). Overall cash levels are forecasted to remain consistent with the 2021-22 actuals, however the forecasted shift to increase unrestricted cash is causing the indicator to increase in the first 2-years and then reduce again in the outer years.</p>
Obligations										
<i>Loans and borrowings</i>										
O2	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	23.39%	16.51%	21.04%	14.23%	18.26%	16.56%	15.05%	7.40%	This indicator has decreased due to the repayment of a \$8.0 million loan in the 2021-22 financial year.
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.65%	6.43%	1.38%	6.19%	1.56%	1.51%	1.47%	7.91%	This indicator has increased due to the repayment of a \$8.0 million loan in the 2021-22 financial year. New borrowings of \$8.0 million have been included in the 2022-23 budget which sees the indicator increase in the outer four years.
<i>Indebtedness</i>										
O4	Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	15.66%	14.62%	14.14%	12.69%	15.67%	13.99%	7.34%	6.26%	This figure is as a result of a minor decrease in non-current interest-bearing loans, and 5.3% increase in rates and charges for 2021-22. The repayment has resulted in an increase to the borrowing repayments compared to rates.

Asset renewal and upgrade										
O5	Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	70.02%	95.57%	94.99%	129.13%	170.38%	131.62%	112.21%	The asset renewal and upgrade expenditure for the past 3 financial years has been lower than anticipated due to the significant volume of capital projects carried forward due to Covid-19 impacts. Council's renewal and upgrade expenditure will fluctuate year on year, based on the projects being forecast to be delivered. Council has forecast to maintain a ratio of greater than 100 percent. This means that Council is maintaining its existing assets.
Operating position										
Adjusted underlying result										
OP1	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	9.31%	13.56%	10.28%	16.07%	14.22%	15.15%	14.02%	11.11%	This year's result has improved in comparison to 2020-21. This is primarily due to the \$3.6 million increase in statutory fees and fines as a result of reduced Covid-19 lockdowns and restrictions.
Stability										
Rates concentration										
S1	Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	70.75%	72.15%	70.18%	72.09%	74.41%	74.78%	76.04%	75.71%	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.
Rates effort										
S2	Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.24%	0.28%	0.27%	0.28%	0.25%	0.27%	0.26%	0.25%	Property values increased by a 1% in 2021-22, whilst rates and charges increased 5.3%. The rates and charges increase resulted in the variance shown.

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

“Population” means the resident population estimated by council

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

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

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

“Adjusted underlying revenue” means total income other than:

non-recurrent grants used to fund capital expenditure; and

non-monetary asset contributions; and

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

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

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

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

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

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

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

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

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

“Population” means the resident population estimated by council

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

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

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

“Restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is

restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

Other Information – Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

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 2020 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 adopted in its 4-year budget adopted June 23rd 2022, and which forms part of the council plan. The financial 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 financial plan can be obtained by contacting council.

CERTIFICATION OF THE PERFORMANCE STATEMENT

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

Sue Vujcevic

Signature:



Director Business Transformation Date: 21/09/2022

In our opinion the accompanying performance statement of the Moreland City Council for the year ended 30 June 2022 presents fairly the results of the council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

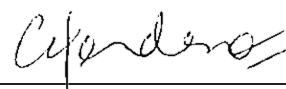
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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 2020 to certify this performance statement in its final form.

Cathy Henderson

Signature:



Chief Executive Officer

Date:

21 / 9 / 2022

Cr Mark Riley

Signature:



Mayor

Date:

21/09/2022

Cr Lambros Tapinos

Signature:



Deputy Mayor

Date:

21/09/2022

Independent Auditor's Report

To the Councillors of Merri-bek City Council (formerly Moreland City Council)

Opinion	<p>I have audited the accompanying performance statement of Moreland City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2022• sustainable capacity indicators for the year ended 30 June 2022• service performance indicators for the year ended 30 June 2022• financial performance indicators for the year ended 30 June 2022• other information and• certification of the performance statement. <p>In my opinion, the performance statement of Moreland City Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

**Auditor's
responsibilities for the
audit of the
performance
statement**

As required by the *Audit Act 1994*, 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 the 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
28 September 2022



Travis Derricott
as delegate for the Auditor-General of Victoria